City of Pensacola

Community Redevelopment Agency

Agenda

City of Pensacola
222 W. Main Street
Pensacola, FL 32502

January 12, 2026, 3:30 PM **Hagler-Mason Conference Room, 2nd Floor**

The City of Pensacola Community Redevelopment Agency was created by the City Council and is a dependent special district in accordance with the Florida State Statutes Chapter 189 (Resolution No. 55-80 adopted on September 25, 1980; and amended Resolution No. 22-10 adopted on August 19, 2010.)

Immediately following the City Council Agenda Conference starting at 3:30 P.M.
The meeting can be watched via live stream at cityofpensacola.com/video.

CALL MEETING TO ORDER

BOARD MEMBER DISCLOSURE

CHAIRPERSON'S REPORT

ADMINISTRATOR'S COMMUNICATIONS

1. 26-77 ADMINISTRATOR'S UPDATES

Attachments: *None*

APPROVAL OF MINUTES

2. 26-106 CRA MEETING MINUTES - 12/08/2025

Attachments: *CRA Meeting Minutes - 12/08/2025*

DISCUSSION ITEMS

3. 26-78 DISCUSSION ON 101 WEST MAIN STREET REDEVELOPMENT OPTIONS

Recommendation: N/A

Sponsors: Delarian Wiggins - Chairperson

Attachments: *Pensacola Main Street - FINAL*

ACTION ITEMS

PRESENTATIONS

BOARD MEMBERS COMMENTS

OPEN FORUM

ADJOURNMENT

The City of Pensacola adheres to the Americans with Disabilities Act and will make reasonable accommodations for access to City services, programs and activities. Please call 850-436-5640 for further information. Request must be made at least 48 hours in advance of the event in order to allow the City time to provide the requested services.

If any person decides to appeal any decision made with respect to any matter considered at such meeting, he will need a record of the proceedings, and that for such purpose he may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 26-106 | Community Redevelopment Agency | 1/12/2026

<u>ACTION ITEM</u>

SUBJECT:

CRA MEETING MINUTES - 12/08/2025

ATTACHMENTS:

1. CRA Meeting Minutes - 12/08/2025

City of Pensacola

COMMUNITY REDEVELOPMENT AGENCY

MINUTES

City of Pensacola
222 W. Main Street
Pensacola, FL
32502

December 8, 2025, 3:30 PM Hagler-Mason Conference Room, 2nd Floor

CALL MEETING TO ORDER

The Community Redevelopment Agency (CRA) Board Meeting was called to order by Vice-Chairperson Wiggins at 4:05 pm.

Members Present: Jennifer Brahier, Allison Patton (leaving at 6:00 pm), Charles Bare, Teniade Broughton, Casey Jones, Jared Moore, Delarian Wiggins

Members Absent: None

Absent: Mayor D.C. Reeves

BOARD MEMBER DISCLOSURE

CRA Board Members Bare, Jones, Patton, and Wiggins disclosed ownership or control of interest directly or indirectly of property in the Community Redevelopment Area.

CHAIRPERSON'S REPORT

None.

ADMINISTRATOR'S COMMUNICATIONS

1. 25-1609 ADMINISTRATOR'S UPDATES

   None.

APPROVAL OF MINUTES

2. 25-1608 CRA MEETING MINUTES - 11/10/2025

   Recommendation:

   A motion to approve was made by Board Member Bare and seconded by Board Member Brahier.

   The motion passed by the following vote:

   Yes: 7 Jennifer Brahier, Allison Patton, Charles Bare, Teniade Broughton, Casey Jones, Jared Moore, Delarian Wiggins

   No: 0 None

DISCUSSION ITEMS

None.

ACTION ITEMS

3. 25-1548 SUPPLEMENTAL BUDGET RESOLUTION NO. 2025-92 CRA - FY 2026 ENCUMBRANCE CARRYOVER RESOLUTION

Recommendation: That the Community Redevelopment Agency adopt Supplemental Budget Resolution No. 2025-92 CRA.

A RESOLUTION OF THE PENSACOLA COMMUNITY REDEVELOPMENT AGENCY APPROVING AND CONFIRMING REVISIONS AND APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2026; PROVIDING FOR AN EFFECTIVE DATE

A motion to approve was made by Board Member Jones and seconded by Board Member Brahier.

Victoria D'Angelo, CRA Administrative Officer, provided a brief overview of the item. Staff responded to questions accordingly.

The motion passed by the following vote:

Yes: 7	Jennifer Brahier, Allison Patton, Charles Bare, Teniade Broughton, Casey Jones, Jared Moore, Delarian Wiggins
No: 0	None

4. 25-1549 AWARD OF CONTRACT - RFP NO 25-042 - DEVELOPMENT ADVISORY SERVICES FOR THE REDEVELOPMENT OF THE BAPTIST HOSPITAL LEGACY CAMPUS

Recommendation: That the Community Redevelopment Agency (CRA) recommend that City Council award a contract for RFP No. 25-042, Development Advisory Services for the Redevelopment of the Baptist Hospital Legacy Campus to Bayou District Consulting, LLC. Also, that the CRA authorize the Mayor to take the actions necessary to execute and administer this contract and complete the work, consistent with the contracting documents and the Mayor’s Executive Powers as granted in the City Charter.

A motion to approve was made by Board Member Brahier and seconded by Board Member Patton.

Victoria D’Angelo, CRA Administrative Officer, turned the item over to Erica Grancagnolo, Economic Development Director, who provided an overview of the item. Gerry Barousse Jr., Chairman of the Bayou District Foundation, delivered a presentation. Cliff Collins, Associate City Administrator, and David Stafford, City Administrator, also addressed the item. Travis Peterson, Founder of Impact

Campaigns, provided additional remarks. Board Member Jones requested that staff provide monthly updates on the Baptist Redevelopment, and staff agreed. Staff responded to questions as presented.

Public Speakers

Sam Epstein
Chanson Brummet
Sarah Brummet
Sylvia
Brian Spencer
Leslie Yandle

The motion passed by the following vote:

Yes: 7	Jennifer Brahier, Allison Patton, Charles Bare, Teniade Broughton, Casey Jones, Jared Moore, Delarian Wiggins
No: 0	None

5. 25-1545 APPROVAL OF THE EIGHTH AMENDMENT TO THE HAWKSHAW REDEVELOPMENT PROJECT

Recommendation: That the Community Redevelopment Agency (CRA) approve the Eighth Amendment to the Declaration of Conditions, Covenants, and Restrictions for the Hawkshaw Redevelopment Project as enumerated herein. Further, that CRA authorize the CRA Chairperson to take the actions necessary to execute and administer this agreement, consistent with the terms of the agreement.

A motion to approve was made by Board Member Patton and seconded by Board Member Bare.

Victoria D'Angelo, CRA Administrative Officer, turned the item over to Ann Teston, Incentives & Land Development Program Manager, who provided a brief presentation of the item. Zac Gibbs of Hawkshaw Development spoke to the item. Erica Grancagnolo, Economic Development Director, also spoke. Board Member Broughton inquired if the agreement had community benefits or bullet points regarding representation from minority subcontractors, and while this was not a part of the Hawkshaw agreement, staff assured the Board that they would try to work with the developer to achieve those goals as well as receive monthly updates regarding the Hawkshaw project. Staff answered questions accordingly.

The motion passed by the following vote:

Yes: 7 Jennifer Brahier, Allison Patton, Charles Bare, Teniade Broughton, Casey Jones, Jared Moore, Delarian Wiggins

No: 0 None

6. 25-1551 SUPPLEMENTAL BUDGET RESOLUTION NO. 2025-93 CRA - CARRYFORWARD AND REALLOCATION OF URBAN CORE AND WESTSIDE FUNDS FOR THE SUNTRAIL COMPONENT OF THE HASHTAG & WATERFRONT DEVELOPMENT AND AMERICAN CREOSOTE WORKS (ACW) SUPERFUND SITE REDEVELOPMENT SPECIAL DEMONSTRATION PROJECTS

Recommendation: That the Community Redevelopment Agency (CRA) adopt Supplemental Budget Resolution No. 2025-93 CRA.

A RESOLUTION OF THE PENSACOLA COMMUNITY REDEVELOPMENT AGENCY APPROVING AND CONFIRMING REVISIONS AND APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2026; PROVIDING FOR AN EFFECTIVE DATE. REVISIONS AND APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2026; PROVIDING FOR AN EFFECTIVE DATE.

A motion to approve was made by Board Member Moore and seconded by Board Member Bare.

Victoria D’Angelo, CRA Administrative Officer, provided an overview of the item. Board Member Wiggins asked whether a workshop or update regarding the American Creosote Works Superfund Site could be provided, noting that many citizens had concerns and questions about the project. Staff agreed to schedule an item, at a minimum, for discussion. Board Member Brahier also stated that she would like to see a workshop. Staff responded to questions accordingly.

The motion passed by the following vote (Board Member Patton left the meeting at 6:00 p.m.):

Yes: 6 Jennifer Brahier, Charles Bare, Teniade Broughton, Casey Jones, Jared Moore, Delarian Wiggins

No: 0 None

7. 25-1553 APPROVAL OF AMENDMENT NO. 6 TO CONTRACT WITH SCAPE LANDSCAPE ARCHITECTURE, DPC UNDER RFQ NO. 20-054

Recommendation: That the Community Redevelopment Agency (CRA) approve Amendment No. 6 to the agreement with SCAPE Landscape Architecture, DPC, under RFQ No. 20-054 as enumerated herein and contingent upon City Council's adoption of a supplemental budget resolution reappropriating the required funding. Further, that the CRA authorize the CRA Chairperson to take the actions necessary to execute and administer this contract and complete the work, consistent with the contracting documents.

A motion to approve was made by Board Member Moore and seconded by Board Member Jones.

CRA Administrative Officer, Victoria D'Angelo, gave an overview of the item. Staff responded to questions accordingly.

The motion passed by the following vote (Board Member Patton left the meeting at 6:00 p.m.):

Yes: 6	Jennifer Brahier, Charles Bare, Teniade Broughton, Casey Jones, Jared Moore, Delarian Wiggins
No: 0	None

PRESENTATIONS

None.

BOARD MEMBERS COMMENTS

Board Member Bare stated that he would be placing an item on the agenda for the January 2026 meeting for discussion regarding who serves as the Community Redevelopment Agency. CRA Administrative Officer Victoria D’Angelo asked whether the request was intended for a City Council meeting or a CRA meeting, noting that City Council would be the appropriate body to make such a change and recommending that the item be brought before City Council. Board Member Bare agreed to bring the item forth to the City Council.

OPEN FORUM

Public Speakers

Mrs. Sylvia

ADJOURNMENT

6:08 pm.

City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 26-78 | Community Redevelopment Agency | 1/12/2026

DISCUSSION

SPONSOR: Delarian Wiggins - Chairperson

SUBJECT:

DISCUSSION ON 101 WEST MAIN STREET REDEVELOPMENT OPTIONS

SUMMARY:

This item will advance City of Pensacola Strategic Plan Goal #1 - Attainable Housing for All Income Levels and #5 - More Walkable, Mixed-Use Districts.

In January 2024, the CRA authorized staff to issue a Request for Letters of Interest (RLOI) to solicit redevelopment concepts for the City-owned property at 101 W Main Street. The RLOI was published in accordance with Florida Statute 163.356 and was intended to gauge market interest and identify qualified teams and ideas for a future formal solicitation. The City sought concepts that maximize economic impact and public waterfront activation.

In May 2024, based on the direction and feedback received through the RLOI process, the CRA authorized staff to issue a Notice of Intent to Dispose (NID). Following negotiations, two proposers withdrew, and the remaining two raised concerns related to an incomplete submittal packet and missing information.

In April 2025, the CRA authorized staff to solicit a Request for Proposals (RFP) and the accompanying NID to allow for a stronger proposal to come forward. Since then, staff have been working with WT Partnership, a consulting firm specializing in public-private partnerships. The firm has reviewed the draft RFP, engaged developers for feedback, and provided the City with recommendations for next steps. The final report is attached for discussion.

PRIOR ACTION:

January 16, 2024 - CRA authorized staff to release a Request for Letters of Interest (RLOI) for redevelopment of 101 W Main Street.

April 8, 2024 - The CRA received an update on letters of interest received in response to the Request for Letters of Interest (RLOI) solicitation issued on February 16, 2024.

May 6, 2024 - CRA authorized staff to issue a notice of intent to dispose (NID) of 101 W Main

Street

April 7, 2025 - CRA authorized staff to re-solicit with a Request for Proposals (RFP) and reissue the NID

FUNDING:

N/A

FINANCIAL IMPACT:

N/A

STAFF CONTACT:

David Stafford, City Administrator
Clifford Collins, Jr., Associate City Administrator
Erica Grancagnolo, Economic Development Director
Anna Kate Baygents, Assistant Economic Development Director

ATTACHMENTS:

1. Pensacola Main Street - FINAL

PRESENTATION: Yes

City of Pensacola

101 West Main Street
RFP Assessment

AUGUST 29, 2025

OVERVIEW OF ENGAGEMENT

The City of Pensacola (City) has selected WT Partnership (WT) to provide real estate and procurement advisory support services to help analyze the prior Request for Proposal (RFP) seeking a developer partner for the property located at 101 West Main Street (Site) and better understand what led to a lack of quality responses to that solicitation. The specific Scope of Services for the current engagement includes the following elements:

Review All Existing Documentation

Conduct a Working Session with Staff to Define/Clarify Goals and Objectives

Engage with the Capital, Developer, and Design Markets to Obtain Feedback

Complete a Field Survey of the Site and Review Market Data

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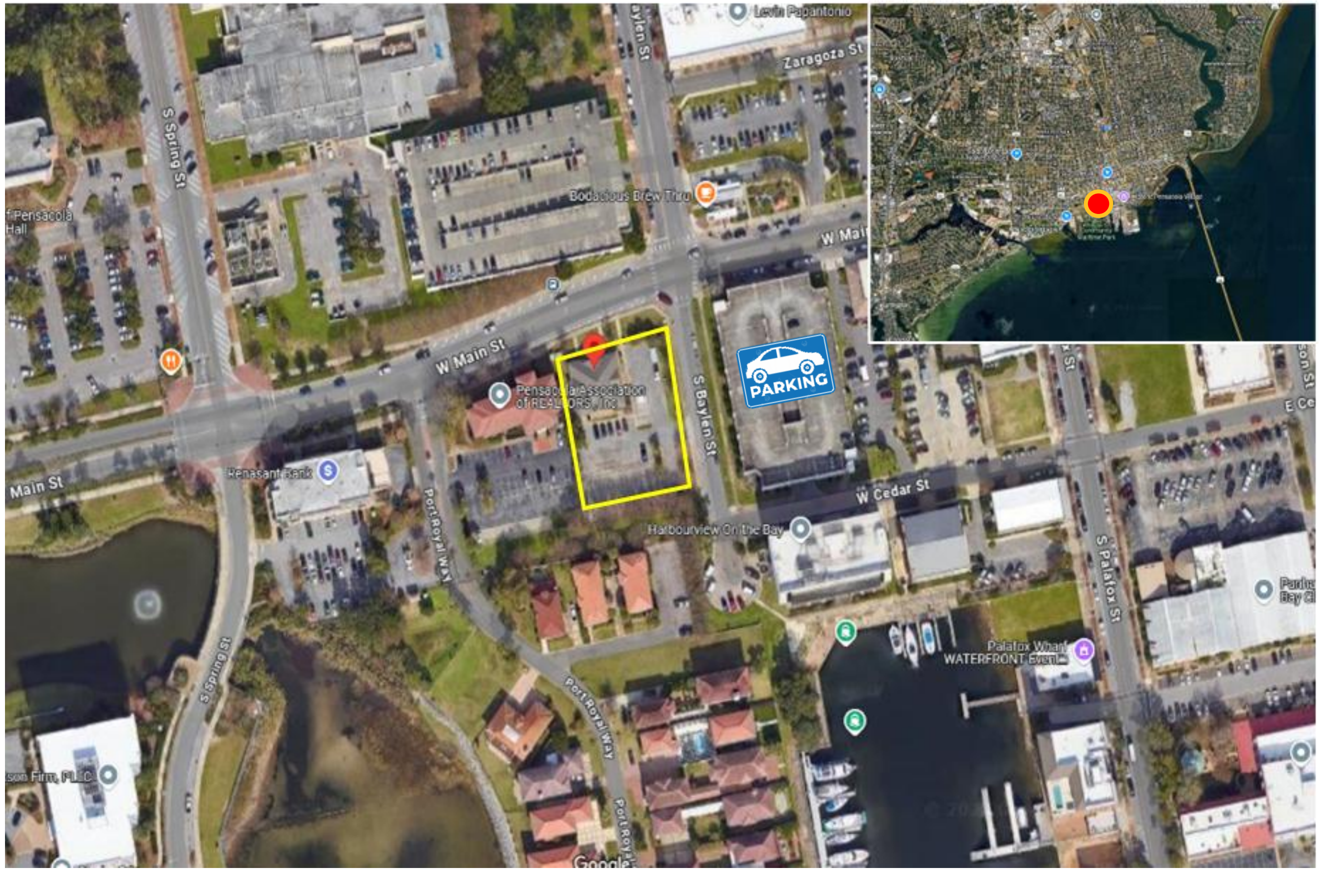
Provide a Summary Report and Action Plan

OVERVIEW OF SITE

101 West Main Street (Site) is a +/- 0.62 acres property located in downtown Pensacola. Other details about the Site are located below.

- The Site is adjacent to the Baylen Slip promenade on Pensacola Bay, one block to the east of the Pensacola Community Maritime Park and Blue Wahoo's Baseball Stadium and one block to the west of Palafox Street, an active restaurant and retail hub in Downtown Pensacola. It is also across the street from a parking garage that is currently for sale.
- The Site contains 133 feet of frontage along the south side of Main Street and 240 feet of frontage along the west side of South Baylen Street.
- Currently, there are no documented archaeological concerns or indications that it may be an unmarked burial site.
- The current zoning is South Palafox Business District (SPBD). See Appendix for more details.

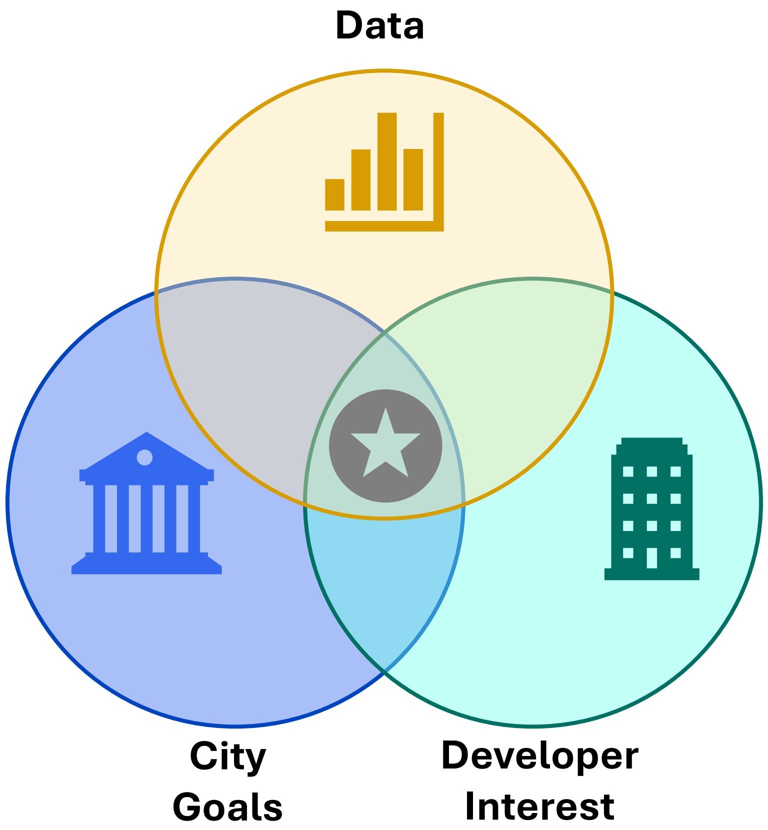


Source: Google Maps

ALIGNING GOALS AND OBJECTIVES

Aligning the expectations of the City for the Site with data and developer feedback is essential in the early phases of a public-private partnership (P3) to ensure transparency, efficiency, and mutual success. In general, cities often have long-term goals related to economic development, sustainability, and community well-being, while developers focus on feasibility, return on investment, and regulatory clarity.

- By grounding the City's expectations for the Site in reliable data - such as market trends, demographic shifts, and infrastructure capacity – the City can set realistic development goals and performance metrics to define a "successful" project.
- Simultaneously, incorporating developer feedback ensures that the proposed development on the Site are practical, financially viable, and aligned with industry capabilities.
- This alignment fosters trust, reduces the risk of delays or conflicts, and creates a collaborative environment where both public and private interests are respected and advanced.



Intersection of City goals, market data and developer interest, which tends to be the areas of greatest likelihood for project success.

KEY INITIAL TAKEAWAYS

The following are key takeaways from this initial stage of reviewing the Site and the RFP document, as well as some opportunities the City should consider and evaluate in terms of potential next steps.

The Site & Opportunity

- While the Site is close to the water and downtown commercial activity, the Site itself is very small. The size of the Site might negatively impact the redevelopment opportunity.
- There is considerable apartment development occurring near the downtown, so likely the Site will not be a good candidate for more rental apartments.
- For sale condos appear most likely in terms of use but will only work if the Site is sold and not leased.

The RFP

- The document lacked clear definition of what the City wanted from a use perspective.
- The City did not complete any market studies to help validate potential uses, nor develop initial feasibility models to assess project viability.
- No test fit/concept plan was developed to better understand what might fit on the site.
- The document was unclear regarding onsite / offsite parking requirements, and the introduction of the adjacent parking structure did not help clarify the parking issue.
- The document lacked supporting documentation such as an initial term sheet or sample development / lease agreements.
- Given these factor, the City was asking for a lot of detail from developers during an open process bid process that lacked a typical two-step RFQ process.

Opportunity to Reissue

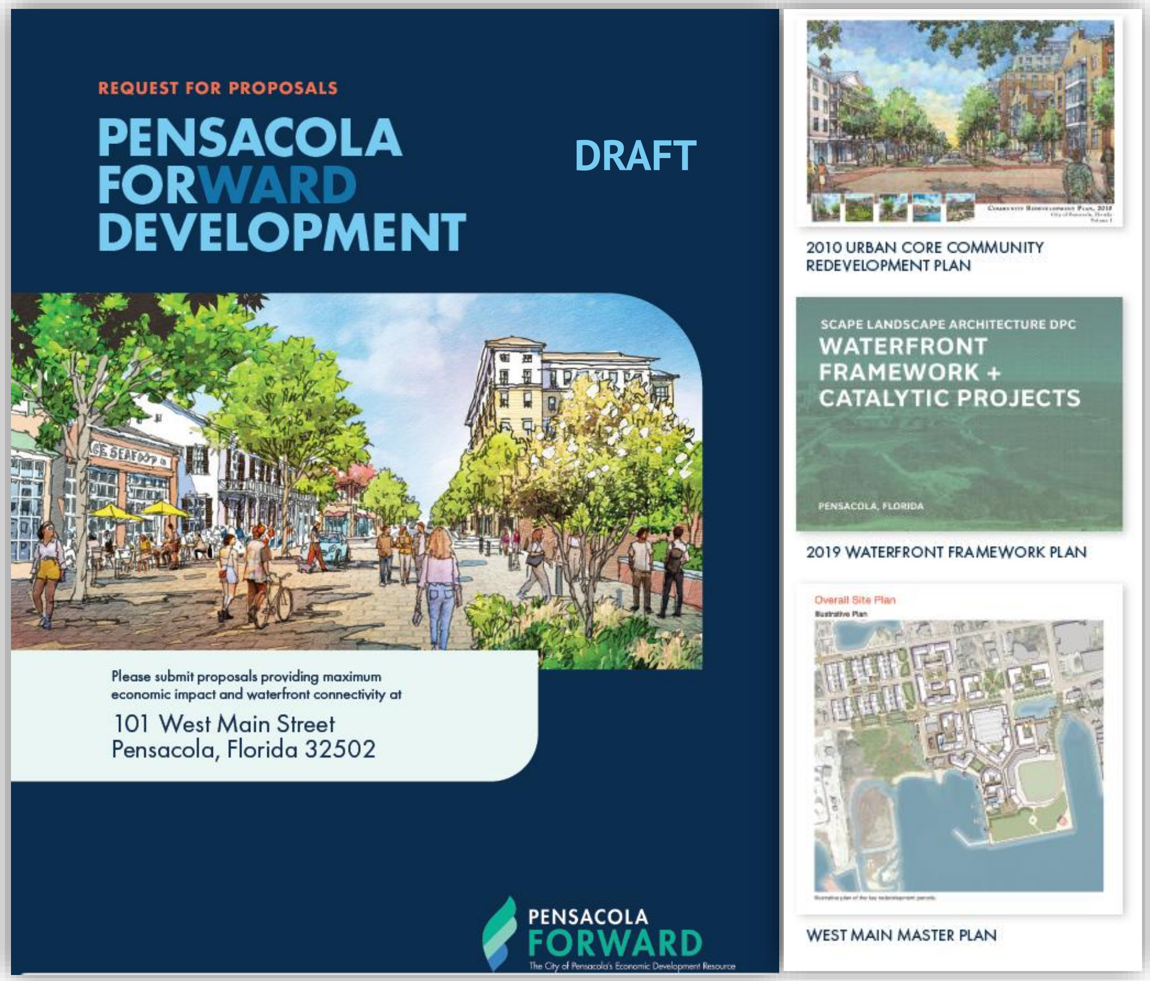
- While the Site does have some challenges from a redevelopment perspective, it is located close to the downtown and waterfront and still offers a unique opportunity for the right developer.
- With additional market outreach, holding a more formal public outreach event, and developing a robust list of appropriate developers, WT believes there is still a path forward to reissue a two-step RFQ for this development opportunity if the City concurs with the outlined recommendations.

Review Existing Documentation

EXISITNG DOCUMENTATION REVIEW

Besides the draft RFP, WT also reviewed executive summaries for the following documents.

- The **Urban Core CRA Plan Update**, outlines a strategic vision for revitalizing the city’s urban core. The plan emphasizes enhancing walkability, supporting mixed-use development, preserving historic character, and fostering economic opportunity.
- The **West Main Master Plan Volume II** presents a comprehensive plan for the West Main Street corridor, focusing on transforming underutilized parcels into a vibrant, walkable, mixed-use urban district. The plan proposes mid-rise residential buildings, hotels, retail, civic spaces, and greenways.
- The **Waterfront Framework Plan** outlines the strategy to reconnect downtown Pensacola with its waterfront. The plan emphasizes enhancing public access to the bayfront, integrating green infrastructure, and promoting mixed-use development that supports economic growth and environmental stewardship.



OPPORTUNITIES FOR DOWNTOWN DEVELOPMENT

Revitalization Through Mixed-Use Projects: New developments like the Reverb by Hard Rock Hotel at Community Maritime Park are set to potentially transform the waterfront into a vibrant hub for entertainment, tourism, and residential living. These types of projects aim to energize downtown and attract both locals and visitors.

Expansion of Affordable and Diverse Housing: The City of Pensacola's 2025 - 2030 Consolidated Plan emphasizes expanding affordable housing for low- and moderate-income residents. This includes both rental and homeownership opportunities, especially in redevelopment areas.

Walkability and Neighborhood Connectivity: The Pensacola Community Redevelopment Agency (CRA) is prioritizing walkable, bike-friendly streets that connect neighborhoods to the waterfront and commercial centers. This focus on urban design and livability supports healthier lifestyles and more vibrant communities.

Retail and Economic Growth: Major retail additions are expected to boost the local economy, create jobs, and draw more consumers to the area. These developments also enhance convenience and lifestyle options for residents.

Public Infrastructure and Community Development: The City plans to invest in public facilities, neighborhood redevelopment, and services that support underserved populations. These efforts aim to improve quality of life and promote self-sufficiency among residents.

Tourism and Cultural Appeal: With new hotels, entertainment venues, and waterfront attractions, Downtown Pensacola is poised to become a regional tourism hotspot, offering opportunities for local businesses and cultural institutions to thrive.

Source: https://pensacolax.com/top-new-businesses-developments-coming-to-pensacola-in-2025/, https://www.cityofpensacola.com/DocumentCenter/View/27900/City-of-Pensacola-2025-29-Consolidated-Plan-and-2025-26-Annual-Action-Plan, https://www.pnj.com/story/news/local/pensacola/2025/05/09/pensacola-cra-prioritizes-housing-walkability-neighborhood-identity/83453709007/

CHALLENGES FOR DOWNTOWN DEVELOPMENT

Traffic Congestion and Parking Shortages: As downtown continues to grow, increased traffic and limited parking are becoming major concerns. The influx of new businesses, residents, and tourists is straining existing infrastructure, making it harder to navigate and park in the area.

Housing Affordability and Supply: While demand for downtown living is rising, affordable housing options remain limited. The CRA is prioritizing more housing, especially developments that support walkability and neighborhood identity, but balancing affordability with quality remains a challenge.

Infrastructure Strain: Ongoing and planned developments, such as new condos and hotels, are putting pressure on stormwater systems, roads, and utilities. For example, the closure of the 12th Avenue "Tree Tunnel" for drainage improvements highlights the need for upgraded infrastructure to support growth.

Preserving Neighborhood Character: As new developments rise, there's concern about maintaining the unique character and identity of historic neighborhoods. The CRA is working to ensure that new projects align with the area's cultural and architectural heritage.

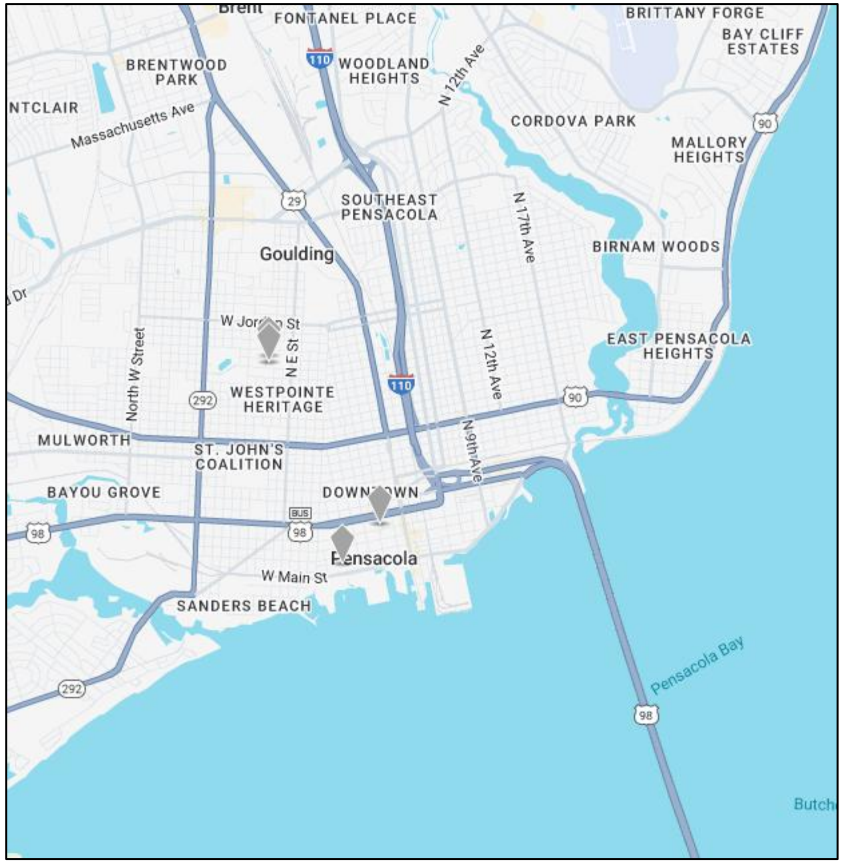
Economic Disparities: While parts of downtown are thriving, economic inequality persists in surrounding areas. Ensuring that development benefits a broad range of residents - not just high-income newcomers - is a continuing challenge.

Source: https://www.pnj.com/story/news/local/pensacola/2025/05/09/pensacola-cra-prioritizes-housing-walkability-neighborhood-identity/83453709007/
https://www.usatoday.com/story/news/local/2025/06/29/top-pensacola-news-new-downtown-development-must-try-soul-food/84386845007/

PLANNED DEVELOPMENTS – MULTI FAMILY

As of mid-2025, Pensacola has a significant pipeline of multifamily housing in various stages of development. If all are completed, they could have an impact on future demand for multi family housing in the City over the coming years.

- Currently Under Construction: Approximately 2,342 units
- Planned or Proposed: An additional 1,000+ units are slated for completion by the end of 2025
- Delivered in Recent Years:
  - 2023: 3,804 units
  - 2022: 2,206 units
- For purposes of this report and analysis, WT assessed multi family projects that are planned, proposed or under construction in or close to downtown to get a sense of what might have an impact on demand for the Site. The following projects were identified:
  - 390 South Clubbs Street
  - 97 South Spring Street
  - West Mallory Street
  - 1110 West Moreno Street



Source: CoStar

PLANNED DEVELOPMENTS – HOTELS

The following are planned or proposed hotels in or near downtown Pensacola that might have impact on demand for any future hotel development in the downtown area.

Homewood Suites by Hilton Pensacola
Address: 801 E Gregory St
Rooms: 124
Classification: Upscale
Owner: Kerioth Corporation

Hotel Tristan Pensacola (Hilton)
Address: 39 East Chase Street
Rooms: 148
Classification: Upper Upscale
Owner: The Thrash Group, LLC

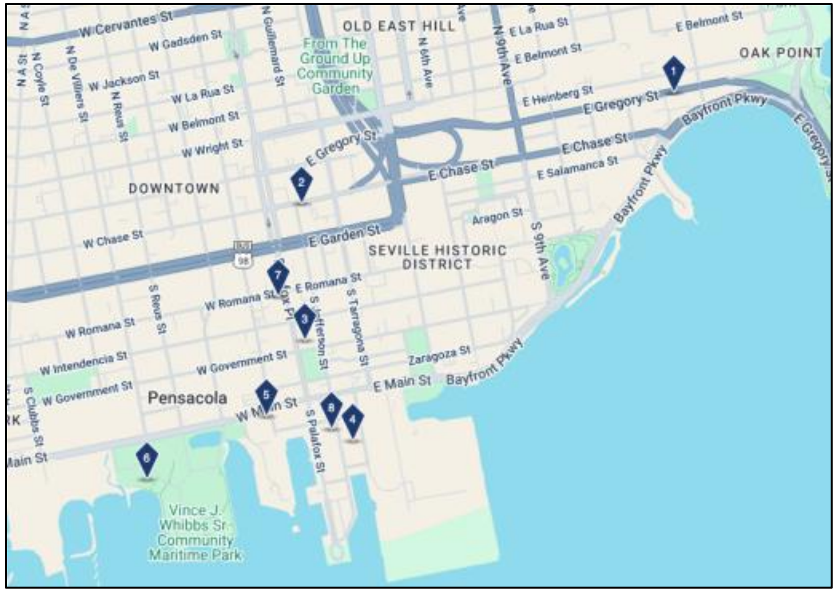
AC Hotel Pensacola
Address: 226 South Palafox Pl
Rooms: 170
Classification: Upscale
Owner: Merrill Land Company

Staybridge Suites Pensacola
Address: 750 Commendencia St
Rooms: 120
Classification: Upscale
Owner: Heetesh D. Patel

REVERB by Hard Rock Pensacola
Location: Maritime Park
Rooms: 125
Classification: Upper Upscale
Owner: Esmith Legacy Inc

Palafox Post Office Hotel
Address: 101 Palafox Pl
Rooms: 159
Classification: Midscale
Owner: Josh and Kristen Sitton

Tempo by Hilton Pensacola Downtown
Address: 600 S Palafox St
Rooms: 228
Classification: Upscale
Owner/Operator: 3H Group Hotels



Source: CoStar

Working Sessions With Staff

WORKING SESSIONS WITH STAFF

WT initially met with staff on July 16, 2025, to kick off the engagement and share additional details about the RFP and the associated procurement process. These were some of the takeaways from that meeting.

- **Site feasibility and defining success:**
  - WT addressed what "maximizing economic impact to the City" really means and how to define it. This might be particularly crucial in the event a winning proposal provides less-than-market ground rent or sale value but still achieves the best possible development.
  - At this time, a feasible development program has not been established by the City, so the conversation included the potential need for a simplified financial feasibility assessment for the site.
- **Site specific issues:**
  - WT asked questions around whether the developer would be expected to tear down the existing building or would the City help fund that?
  - In terms of the adjacent parking structure, the City is not interested in purchasing it. The question remains however, would 101 West Main require on-site parking and/or additional parking in this garage?
  - WT also shared more about the need to engage with the residents just south of the property, as they appear to be the most impacted external stakeholder that might hold sway over this project.
- **The RFP itself:**
  - As discussed, it is somewhat vague as to what the City wants on the site.
  - The City might want to move forward with completing a Phase 1 prior to re-releasing the RFP.
  - Ideally a draft term sheet would be included in a re-released RFP. It signals to the market that the City has considered terms that are negotiable.
  - The submittal requirements are a bit heavy, given some of the uncertainties raised above and lack of clear direction of the program.
  - Conversations should continue regarding the potential of changing to a two-step RFQ process.

WORKING SESSIONS WITH STAFF – PART 2 8/7

WT conducted a second call with staff on August 7, 2025, to review some of the initial takeaways and to obtain further clarity around some of the datapoints WT has accessed. These were some of the takeaways from that meeting.

WT reviewed the engagement Scope to align expectations on the final deliverables.

WT requested further information on planned development in and around the downtown area.

WT requested City approval to begin developer outreach to obtain feedback on the Site and the RFP.

WT shared some initial takeaways on the data and the stronger (for-sale condos) and weaker uses (office) that are emerging.

WT requested further zoning clarification on the Site, in terms of what might be permitted by right.

WT covered remaining work to be completed, and next steps towards the finish line.

Field Survey and Market Data

FIELD SURVEY AND MARKET DATA OVERVIEW

Field Survey

- WT conducted a field survey of the Site on July 16, 2025.
- Exterior photographs of the Site were taken (included on the following pages).
- WT also observed business that surrounded the Site, as well as access into and out of the Site.
- The adjacent parking structure was also observed from the sidewalk, and its proximity to the Site.

Market Data

- WT accessed and analyzed the following data as part of this engagement to help formulate asset classes that might present stronger or weaker cases for development on the Site:
  - Demographics
  - Multifamily data
  - Retail data
  - Hotel data
  - Office data

SITE PICTURES

SITE PICTURES

SITE PICTURES

Source: CoStar

INCOME, POPULATION AND HOUSEHOLDS

The City

- As of 2025, Pensacola, Florida has a population of approximately 53,222 residents, with a median age of 40.8 years.
- The City's demographic composition is predominantly White (67.5%), followed by Black or African American (21.2%), and smaller percentages of multiracial, Asian, and other racial groups.
- The average household income is around $103,743, while the median household income stands at $72,699.
- The average household size is 2.2 people, and about 12.35% of the population lives below the poverty line.

1 – 5 – 10 Miles from the Site

Population

	1 mile	5 miles	10 miles
2020 Population	3,983	95,830	263,300
2024 Population	4,548	98,637	265,203
2029 Population Projection	4,768	102,206	274,519
Annual Growth 2020-2024	3.5%	0.7%	0.2%
Annual Growth 2024-2029	1.0%	0.7%	0.7%
Median Age	43.9	37.7	37.9
Bachelor's Degree or Higher	34%	27%	28%
U.S. Armed Forces	50	1,310	9,165

Income

	1 mile	5 miles	10 miles
Avg Household Income	$75,421	$68,936	$74,126
Median Household Income	$45,202	$44,619	$53,235
< $25,000	748	11,201	23,992
$25,000 - 50,000	416	10,523	25,997
$50,000 - 75,000	288	6,845	20,650
$75,000 - 100,000	153	3,150	11,160
$100,000 - 125,000	168	2,367	8,200
$125,000 - 150,000	153	1,789	5,773
$150,000 - 200,000	128	1,686	4,738
$200,000+	155	2,294	5,830

Households

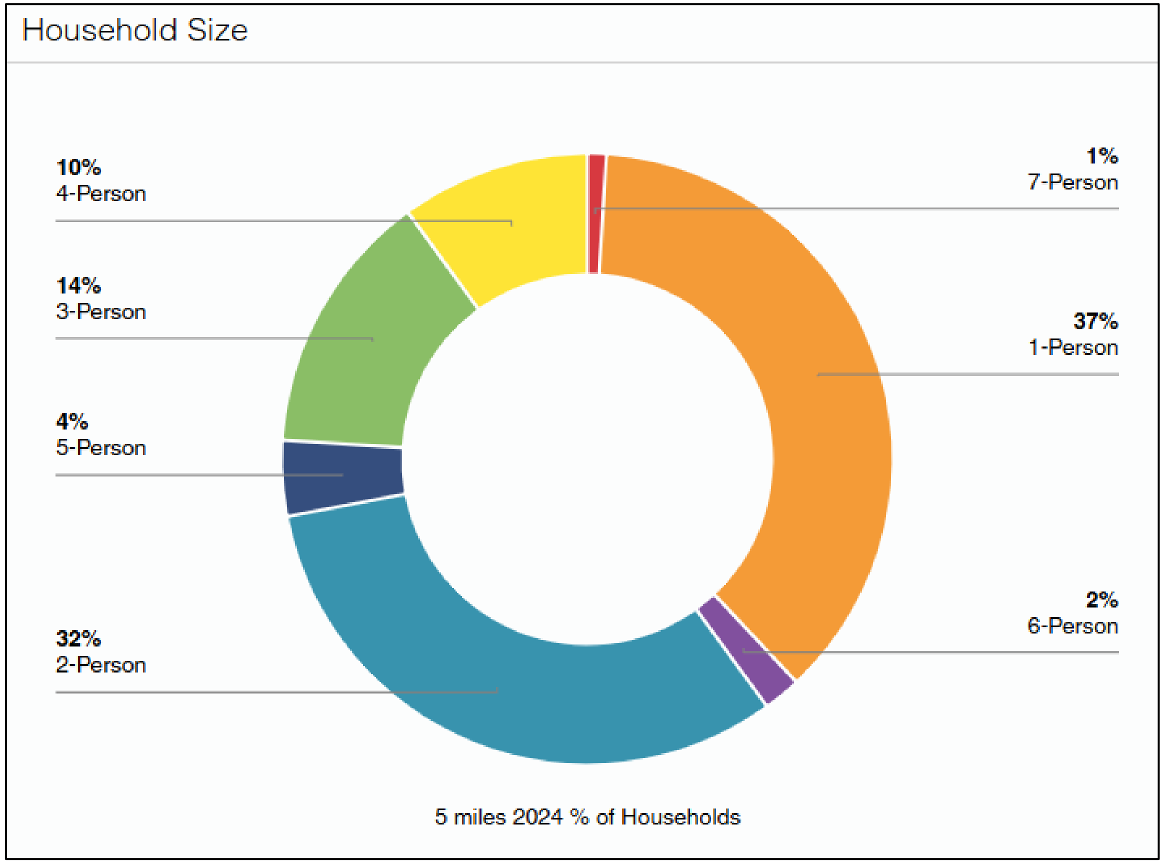
	1 mile	5 miles	10 miles
2020 Households	1,925	38,896	106,099
2024 Households	2,209	39,854	106,339
2029 Household Projection	2,320	41,344	110,161
Annual Growth 2020-2024	2.3%	0.8%	0.6%
Annual Growth 2024-2029	1.0%	0.7%	0.7%
Owner Occupied Households	1,134	22,795	65,051
Renter Occupied Households	1,186	18,549	45,110
Avg Household Size	1.8	2.2	2.3
Avg Household Vehicles	1	2	2
Total Specified Consumer Spendin...	$57.5M	$1B	$2.9B

Source: CoStar

HOUSEHOLD SIZE

As of 2025, household size in Pensacola, Florida is distributed as follows:

- 1-person households are the most common, reflecting a large share of non-family households, which make up approximately 37% of all households.
- 2-person households are also prevalent, often representing couples or roommates which make up approximately 32% of all households.
- 3- and 4-person households are typical of small families, with 3-person households being common among single-parent families. Combined these households make up approximately 24% of all households.
- 5-person and larger households (including 6- and 7-person) are less common but still present, often representing multigenerational or extended families, and make up approximant 8% of all households.



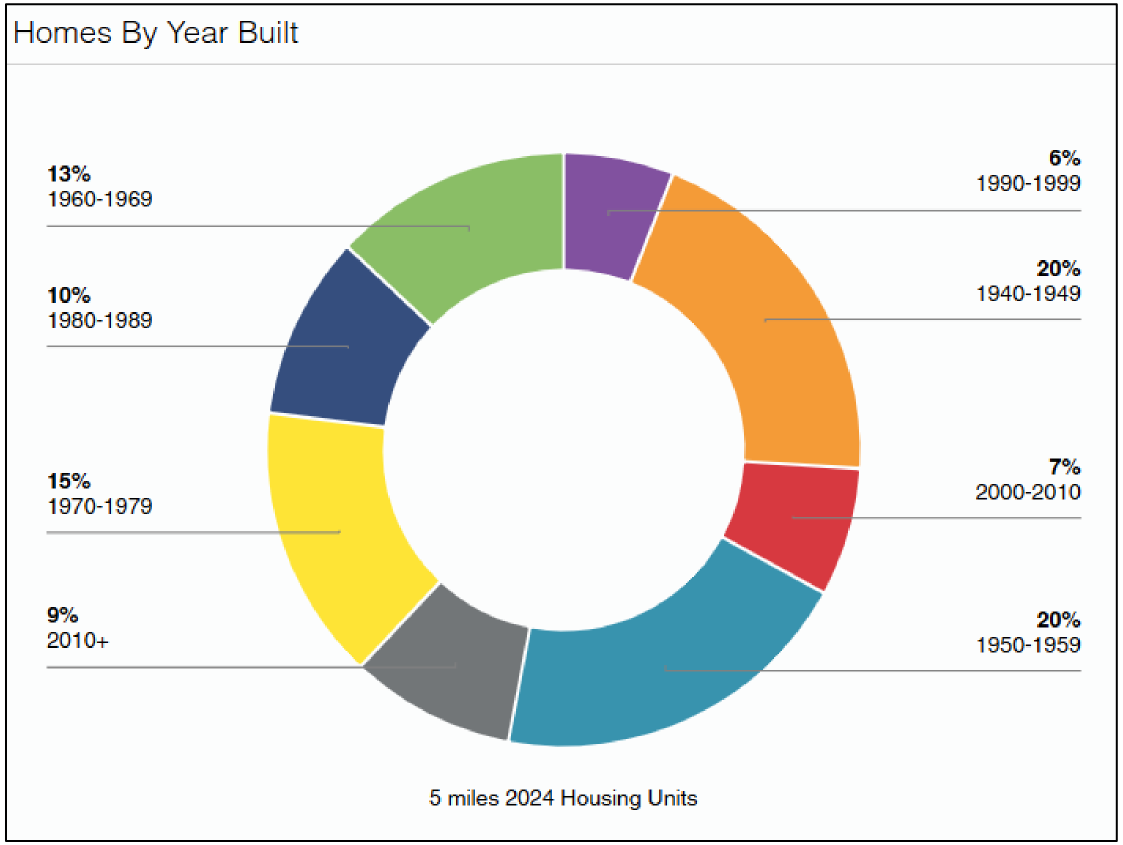
Source: CoStar

As of the most recent data from the U.S. Census Bureau, the average household size in the United States is approximately 2.5 people

HOMES BY YEAR BUILT

The housing stock in Pensacola reflects a wide range of years in which they were built, offering both opportutnitie and challenges for those seeking diverse housing options.

- As of 2025, the housing stock in Pensacola reflects a diverse mix of construction eras, with a significant portion of homes built before 1980, particularly in historic neighborhoods like East Hill and North Hill.
- These older homes contribute to the city's architectural character but may require modernization or renovation.
- Post-1980 development includes suburban-style homes and newer infill projects, especially in areas experiencing revitalization.
- Recent years have seen increased construction of mid-rise residential units and mixed-use developments near downtown and the waterfront, aligning with urban planning goals for density and walkability.
- This blend of historic and contemporary housing offers varied options for residents but also presents challenges in infrastructure compatibility and preservation planning.



As of 2025, the average age of an American home is approximately 43 years (built in 1981/1982), based on data from the U.S. Census Bureau's American Housing Survey

Source: CoStar

CONSUMER SPENDING DETAILS

Consumer spending in Pensacola, Florida reflects broader regional and national trends, with expenditures concentrated in housing, transportation, healthcare, and food services. According to the U.S. Bureau of Labor Statistics, the Pensacola metro area shows steady employment across key sectors like education and health services, leisure and hospitality, and professional services, which supports consistent consumer activity. Local spending breakdowns in the region align with national averages, with notable spending on housing (including rent or mortgage), utilities, groceries, dining out, and personal transportation. Inflationary pressures and interest rates have influenced discretionary spending, but core consumption remains stable due to relatively low unemployment and moderate wage growth in the area.

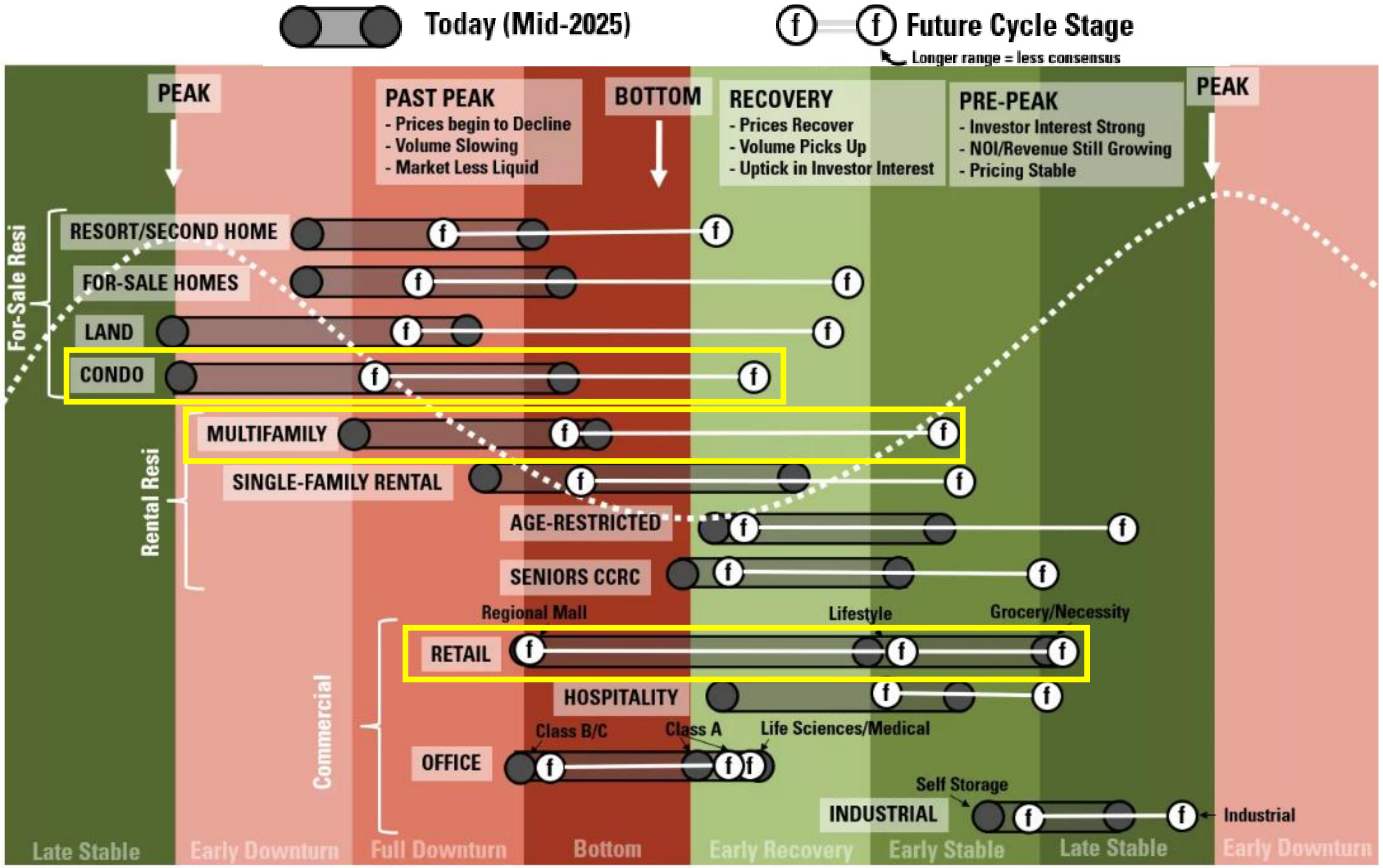
Radius	1 mile			5 miles			10 miles		
Expand All	Total Spendi...	Avg Household	Per Capita	Total Spendi...	Avg Household	Per Capita	Total Spendi...	Avg Household	Per Capita
Apparel	$2,885,468	$1,306	$634	$56,238,076	$1,411	$570	$153,987,584	$1,448	$581
Entertainment, Hobbies & P...	$9,198,409	$4,164	$2,023	$162,696,587	$4,082	$1,649	$455,704,007	$4,285	$1,718
Food & Alcohol	$15,324,181	$6,937	$3,369	$275,279,698	$6,907	$2,791	$780,381,347	$7,339	$2,943
Household	$9,901,293	$4,482	$2,177	$167,156,164	$4,194	$1,695	$473,211,947	$4,450	$1,784
Transportation & Maintenance	$13,811,121	$6,252	$3,037	$249,476,001	$6,260	$2,529	$713,345,186	$6,708	$2,690
Health Care	$2,945,858	$1,334	$648	$50,927,423	$1,278	$516	$146,433,203	$1,377	$552
Education & Daycare	$3,434,004	$1,555	$755	$52,478,466	$1,317	$532	$151,822,077	$1,428	$572
Total Specified Consumer S...	$57,500,334	$26,030	$12,643	$1,014,252,415	$25,449	$10,283	$2,874,885,351	$27,035	$10,840

Source: CoStar

According to the U.S. Bureau of Labor Statistics Consumer Expenditure Survey for 2023 (the most recent available), the national average per capita spending on Food and Alcohol was approximately per person $6,286.

NATIONAL REAL ESTATE CYCLES

This chart depicts various development types and where they are in their current and future real estate cycles. Highlights are provided to call out appropriate uses that might be built on the Site.



Source: 2025 RCLCO Real Estate Sentiment Survey

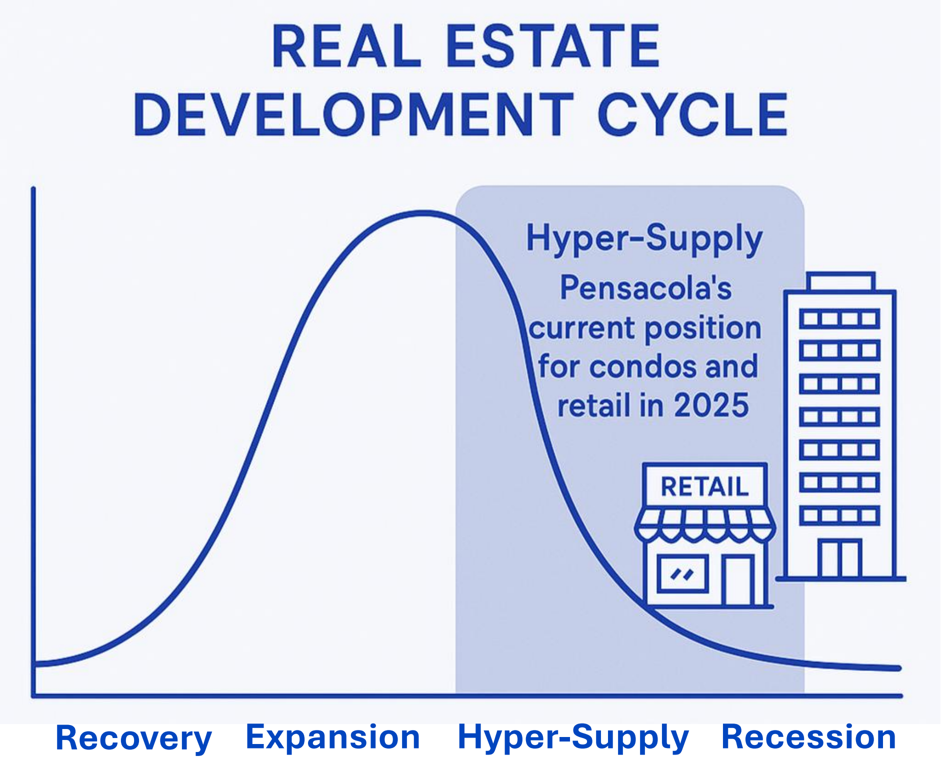
<u>Key Takeaways</u>

- For-Sale Condos are currently somewhere between Late Stable and Bottom stages and expected to move accordingly into Full Downtown or Early Recovery.
- Rental Multi-family developments are in Early Downturn to Bottom stages but predicted to move into Bottom or Early Stable Stages.
- Retail developments (likely for the Site) Early Recovery to Early Stable stages and expected to move into Early Stable and late stable stages.

PENSACOLA REAL ESTATE CYCLES

As of mid-2025, the real estate development cycle in Pensacola for both retail and condos appears to be in a late expansion to early hyper-supply phase, based on current market indicators:

- **Retail**
  - Broader market trends suggest a cooling phase after a period of growth.
  - The influx of new residential units (especially apartments) and shifting consumer behavior may be impacting retail demand, particularly in the downtown mixed-use developments.
  - If retail follows residential trends, it's likely facing increased competition and slower absorption, typical of a late expansion or early hyper-supply stage.
- **Multifamily**
  - Pensacola has seen a surge in new apartment construction, with 2,500 units delivered in the past two years and another 2,000 expected by year-end 2025.
  - This has led to increased rental inventory, slightly declining rents, and higher vacancy pressures, especially for older or less updated properties.
  - These are classic signs of the hyper-supply phase, where supply outpaces demand, leading to potential rent concessions and longer lease-up times.



Source: https://www.octaviusrealestate.com/blog/2025-real-estate-market-trends-in-pensacola-what-buyers-and-sellers-need-to-know
https://www.pensacolarealtymasters.com/blog/pensacola-real-estate-market-update--spring-2025

MULTIFAMILY SUBMARKET FUNDAMENTALS

12 Mo Delivered Units	12 Mo Absorption Units	Vacancy Rate	12 Mo Asking Rent Growth
849	574	12.9%	-2.3%

- Demand & Absorption: 580 apartment units were absorbed in the past year, down 30% year-over-year.
- New Supply: 850 new units were delivered, continuing a five-year trend of supply outpacing demand.
- Vacancy Trends:
  - Overall vacancy rose by 1.3%, with a 10% increase in vacant units.
  - 4 & 5 Star properties saw a 0.4% decrease in vacancy, now at 16.3%, indicating strong demand for high-end units.
- Construction Activity:
  - Deliveries declined 10% year-over-year.
  - Units under construction dropped by over 15%, signaling a slowdown in the development pipeline after a 35% inventory expansion over five years.
- Rent Growth:
  - Overall rents declined 2.3%, the largest annual drop on record for the area.
  - 4 & 5 Star units had the steepest decline at -3.4%, while 3 Star units performed better at -0.8%.

Key Takeaways

- The drop in absorption (-30% YOY) and decline in deliveries (-10% YOY) are trends heading in the wrong direction for the broader submarket.
- Given these datapoints, several new residential developments are underway in and around the downtown area, indicated a different perspective.
- From the initial data assessment, it would appear that the stronger areas of residential demand are for higher end units.
- While rent growth appears to be declining, this is likely a response to the sharp increases in rent over the last five years.

Source: CoStar

RETAIL SUBMARKET FUNDAMENTALS

12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	Market Asking Rent Growth
0	(6.9K)	3.8%	2.4%

- Vacancy Rate: 3.8%, up 0.7% from last year due to -6,900 SF of net absorption and no new deliveries.
- Historical Comparison: Current vacancy is higher than the 5-year average (2.1%) and 10-year average (1.8%).
- Availability: 35,000 SF available, with an availability rate of 3.5%.
- Construction: No retail space under construction currently, compared to a 10-year average of 8,300 SF.
- Inventory: Total retail inventory is 1.0 million SF.
- Rents: Average rent is $19.90/SF, with 2.4% year-over-year growth, slightly below the metro-wide growth of 2.5%.
- Rent Growth Trends: Current growth is below the 5-year average (4.1%) and 10-year average (3.2%).

Source: CoStar

Key Takeaways

- The current retail vacancy in the downtown submarket (2.4%) is higher than past averages, indicating some levels of concern.
- There is also no new retail space under construction. Given the size of the downtown submarket, 8,300 SF per year has been the average.
- Rent growth is also not keeping up with broader market averages and blow the 5- and 10-year averages.
- Given these less-than-ideal datapoints, it also appears there is a lack of new retail and restaurant spaces available in the downtown.

HOTEL SUBMARKET FUNDAMENTALS

12 Mo Occupancy	12 Mo ADR	12 Mo RevPAR	12 Mo Supply	12 Mo Demand
62.8%	$142.34	$89.41	3.5M	2.2M

- Inventory: 110 hotel properties with approximately 9,900 rooms.
    - Luxury & Upper Upscale: 740 rooms
    - Upscale & Upper Midscale: 4,600 rooms
    - Midscale & Economy: 4,500 rooms
- Performance Metrics (12-month averages):
    - Occupancy: 62.8% (+1.4% YoY)
    - Average Daily Rate (ADR): $142 (-0.2% YoY)
    - Revenue per Available Room (RevPAR): $89 (+1.2% YoY)
- Development Activity:
    - 200 rooms under construction, representing 2.0% of inventory
    - 450 rooms opened in the past year across 4 buildings

Key Takeaways

- The submarket does have a variety of hotel category choices, including a somewhat even split between Midscale/Economic and Upscale/Upper Midscale
- As of May 2025, the U.S. hotel industry averages are as follows:
    - Occupancy Rate: 65.3%
    - ADR: $162.72
    - RevPAR: $106.30
- There is movement in the market in terms of new construction activity, but the small size of the Site might limit serious consideration for a hotel.

Source: CoStar

OFFICE SUBMARKET FUNDAMENTALS

12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	Market Asking Rent Growth
0	37.1K	2.1%	-0.6%

- As of Q3 2025, the Downtown Pensacola office submarket has a low vacancy rate of 2.1%, down 1.1% from the previous year, due to 37,000 SF of net absorption and no new deliveries. This is below its 5-year average of 3.1% and 10-year average of 3.8%.
- The availability rate is 3.6%, with 120,000 SF listed.
- There has been no office construction in the past decade.
- The submarket has 3.4 million SF of inventory, compared to 17.7 million SF metro-wide.
- Average rents are $29.00/SF, higher than the metro average of $26.00/SF, but have declined 0.6% year-over-year, contrasting with a 1.1% metro-wide increase.
- This rent decline is below the submarket's 5-year average growth of 2.8% and 10-year average of 3.7%.

Source: CoStar

Key Takeaways

- On paper, the office submarket fundamentals do appear to be positive. Vacancies are below both the 5- and 10-year averages.
- While rents are higher in the downtown submarket compared to the metro average, they have declined YOY.
- Office is still one of the more challenging asset categories to finance, so unless a single-use is interested in a mid-rise office, this use is likely to be the weakest of those assessed.

FIELD SURVEY AND MARKET DATA SUMMARY

Given the field survey, document review, and initial assessment of market fundamentals, these are the likely the key takeaways for each of the asset categories analyzed as part of this engagement. These are still in very early stages of assessment and do not constitute a full market or absorption study. However, if the City is going to consider stating a desired development program for the Site, these can be very useful for that purpose.

Multifamily

Appears to be the most likely market-supported use included in a mixed-use development project on the Site. Given the surge in apartments, the City might want to consider for sale condos on the Site which would work on the premise of selling the Site

Retail

The Site might support retail development and is adjacent to the downtown retail core. However, the size of the Site might present limitations and restrict retail from being developed on the Site.

Hotel

At this time, the biggest challenge for a hotel would appear to be the size of the Site. With other hotels in the works or being planned, this does not appear to be a strong candidate for consideration on the Site, but a detailed market study might provide different datapoints.

Office

Likely the weakest asset category to consider for the Site. Developers are likely to lack interest in any speculative office development, and the only option here seems like a single tenant occupancy if at all.

Under SEC. 12-3-13. - South Palafox Business District, all of these uses would appear to be permitted uses but further clarity from the City is required.

Engage With the Developer Market

OUTREACH TO DEVELOPER MARKET

As part of the engagement, WT conducted initial research into the market leaders for various asset categories and also being active in the region. The following pages outline the initial feedback WT received from the development community on (1) the Site development opportunity and (2) the RFP itself.

Developers Contacted

Multifamily | **Retail** | **Hotel** | **Office**

Questions Asked

The Site Development Opportunity

The RFP and the Evaluation Process

Developer Feedback

WT synthesized the feedback for City review and consideration

DEVELOPER FEEDBACK – MARKET

WT obtain the following feedback from developers that were framed both in terms of the opportunities of real estate development as well as the challenges in the City overall and specifically in the downtown.

Opportunities

Pensacola in General

- *Pensacola benefits from a diversified economy including military, healthcare, tourism, and logistics.*
- *The City continues to attract new residents from other states and metro areas due to affordability and coastal appeal.*
- *Compared to other coastal states, Pensacola offers lower property taxes, which is attractive for investors.*
- *Despite some softening in rental yields, the market remains strong for long-term equity growth.*

Downtown Pensacola

- *Major developments like the Downtown Waterfront Improvements, University Town Plaza Redevelopment, and Project Lionheart (Amazon Distribution Center) are boosting appeal and accessibility.*
- *Downtown is seeing a surge in boutique hotels, restaurants, and entertainment venues, especially around Palafox Street.*
- *The area is ripe for residential, retail, and hospitality projects, with increasing demand for urban living.*

Challenges

Pensacola in General

- *Rising insurance and maintenance costs are impacting cash flow for investors, especially in older properties.*
- *Limited immediate cash flow due to higher purchase prices and stabilizing rents meaning short-term returns are harder to achieve.*
- *Construction costs were cited most frequently as one of the top concerns for building any new project in the City.*

Downtown Pensacola

- *Higher competition and saturation risk with many developments underway. There's a risk of oversupply in certain segments like rental apartments.*
- *Parking and zoning challenges as density increases, developers may face regulatory hurdles and infrastructure limitations.*
- *Building in downtown often involves higher costs due to architectural standards, permitting, and land values.*

DEVELOPER FEEDBACK – RFP AND PROCUREMENT PROCESS

WT obtained the following feedback from developers regarding the RFP document itself, as well as the procurement process the City outlined as part of making a developer selection.

The RFP

- *The document lacked clear definition of what the City wanted from a use perspective.*
- *The City did not complete any market studies to help validate potential uses, nor develop initial feasibility models to assess project viability.*
- *No test fit/concept plan was developed or shared to better understand what might fit on the site.*
- *The document was unclear regarding onsite / offsite parking requirements, and the introduction of the adjacent parking structure did not help clarify the parking issue.*
- *The document lacked supporting documentation such as an initial term sheet or sample development / lease agreements.*
- *Given these factor, the City was asking for a lot of detail from developers during an open process bid process that lacked a typical two-step RFQ process.*

The Procurement Process

- *Developers have a lot of their plate given current market conditions, so they tend to look at these public bid opportunities through two factors: (1) how much work do I have to do in order to submit a response, and (2) what are my chances of winning.*
- *Because the City was not clear on a preferred development outcome, developers looked at the outlined process of having to spend a lot of time and money submitting a bid and having no idea if their concept was something the City even wanted to consider.*
- *In a situation like this where the City is more open to development outcomes, a more typical process might have included an RFI to gather market feedback followed by a two-step RFQ process that would shortlist the most qualified respondents. This would not include a bid on lease or sale values.*

Summary and Action Plan

PREPARE FOR SHIFTS IN THE REAL ESTATE MARKET

According to a recent article published by a national real estate investment specialist regarding the impacts of tariffs, investors and consumers have been impacted and there remains some potential for slower economic growth. Many real estate experts believe the base case is that the U.S. still will benefit from favorable investment trends with compelling opportunities for real estate development deal flow. The following are additional trends to consider moving forward.

Tariff Impact: Investors are cautious due to the Administration's tariff policies, but long-term trends still favor real estate investments. These factors could, however, change at any point of time in the future.

Macro-Economic Risks: Economic slowdown is possible, but worst-case scenarios are unlikely due to political consensus favoring growth.

Interest Rates: Rates are expected to remain between 4.0% and 4.5% through the second half of the year.

Real Estate Capital Markets: Investors are cautious but interested in strong investment fundamentals.

Property Type Implications: Different property types will be affected differently by tariff-driven slowdown, with some sectors remaining resilient. (*see Appendix for more details*)

Source: RCLCO, "Uncertainty Is Keeping Investors Cautious, but Positive Long-term Trends Favor Real Estate Investments", May 9, 2025

ENGAGEMENT SUMMARY AND KEY TAKEAWAYS

These are the key takeaways from this engagement, including elements from the real estate fundamental data, developer outreach, and WT's perspective on industry and sector best practices for a project similar in size and scale to the Site.

The Site is located close to the waterfront and downtown activity, but its small size might limit development options.

The City was not clear on preferred outcomes, nor completed the needed due diligence to understand what might or might not work on the Site.

Real estate data and market activity points at this time to the most likely option for the Site as for-sale condos.

The RFP and procurement process was not designed to encourage developer input and was asking developers to complete costly upfront work with little direction from the City.

Given these takeaways, there is still an opportunity to redevelop a unique site in the rapidly growing downtown area with additional market outreach and redesigning the procurement process to encourage developer interest.

RECOMMENDED ACTIONS AND NEXT STEPS

Given the scope of the engagement, the analytics and outreached completed, and the Key Takeaways outlined on the previous slide, WT believes these are the potential next steps the City could consider in terms of actions and follow-up.

Consider if the City can be clearer on the desired use or outcome – is it revenue generation, type of use, etc. This will tell developers the City knows what it wants.

If needed, complete additional site analyses like an initial financial model, parking and test fits to understand realistic development expectations.

Contemplate amending the RFP into a two-step RFQ process with selection based more on qualifications versus a hard bid. This should entice more responses.

Gather additional market feedback through a formal event and RFI process to (1) confirm desired uses and (2) identify three to five interested developers.

Determine if there is an appropriate market to build the desired use and enough interested responders to conduct a competitive selection process before reissuing.

Appendix

- Additional reference PPT slides
- CoStar Pensacola Market Reports on Retail, Multifamily, Office and Hospitality

SEC. 12-3-13. - SOUTH PALAFOX BUSINESS DISTRICT

(1)Purpose of district. The South Palafox business district is established to promote the compatible redevelopment of the city's historic downtown waterfront by encouraging high quality site planning and architectural design that is compatible with both the historic character of the existing structures and the waterfront activities. The zoning regulations are intended to help avoid excessive building height and mass and vehicular congestion.

(2)Uses permitted.

a.Single-family residential (attached or detached) at a maximum density of 17.4 units per acre. Multifamily residential at a maximum density of 108 dwelling units per acre.

b.Home occupations, subject to regulations in section 12-3-57.

c.Offices.

d.Libraries and community centers opened to the public and buildings used exclusively by the federal, state, county and city government for public purposes.

e.Hotels/motels.

f.Marinas.

g.Parking garages.

h.The following retail sales and services with no outside storage or major repair work permitted:

1.Retail food and drug stores (including medical marijuana dispensaries and liquor package store).
2.Personal service shops.
3.Clothing stores.
4.Specialty shops.
5.Banks.
6.Bakeries, whose products are sold at retail on the premises.
7.Antique shops.
8.Floral shops.
9.Health clubs, spas and exercise centers.
10.Laundromats and dry cleaners.
11.Restaurants.
12.Studios.
13.Art galleries.
14.Bars.

i. Retail sales and services with outside storage or major repair work permitted:

1.Sale or rental of sporting goods or equipment including instructions in skiing, sailing, or scuba diving.
2.Boat sales/rentals.
3.Boat fueling.
4.Commercial fishing.

j. Accessory buildings and uses customarily incidental to the above uses.

k. Family day care homes licensed by the state department of children and family services as defined in state statutes.

390 South Clubbs Street – “The Romero”

Property Overview
- Status: Under Construction (Start: Feb 2025, Completion: Sep 2026)
- Type: 4-Star Mid-Rise Apartments
- Units: 282 across 4 buildings
- Gross Building Area (GBA): 283,000 SF
- Typical Floor Size: 70,750 SF
- Walk Score: 50 (Somewhat Walkable)
- Transit Score: 35 (Some Transit)

Amenities
- Unit Amenities: Air conditioning, oven, dishwasher, pantry, patio, quartz/granite countertops, washer/dryer, microwave, etc.
- Site Amenities: Business center, fitness center, pool, walking/biking trails, public transportation access, etc.

Ownership
- Owner: Crest Residential (Birmingham, AL)
- Developer Type: Regional Developer
- Experience: Over 6,000 units developed, $750M in total investment

Flood Risk
- Zone: FEMA Flood Zone AE (High Risk)
- Floodplain Area: 100-year floodplain (SFHA)

Crest Residential
500 Office Park Dr, Suite 215
Birmingham, AL 35223
United States
(205) 566-2384 (p)
www.crestres.com

Source: CoStar

97 South Spring Street – “The Waverly” ”

Property Overview
- Status: Proposed (Construction Start: Jan 2026, Completion: Sep 2027)
- Type: 5-Star Mid-Rise Apartments / Condo
- Units: 329
- Gross Building Area (GBA): 468,825 SF
- Stories: 9
- Land Area: 4.77 acres
- Walk Score: 73 (Very Walkable)
- Transit Score: 36 (Some Transit)

Amenities
- Unit Amenities: Air conditioning, oven, heating, refrigerator, kitchen, tub/shower
- Site Amenities: Cabana, pet play area, concierge, pool, lounge, storage, package service, public transportation access

Ownership
- Owner/Developer: Bearing Point Properties LLC (Baton Rouge, LA)

Flood Risk
- Zone: FEMA Flood Zone AE (High Risk)
- Floodplain Area: 100-year floodplain (SFHA)

Bearing Point Properties LLC
7656 Jefferson Hwy, Suite 2B
Baton Rouge, LA 70809
United States
(225) 325-3471
bearingpointproperties.com

Source: CoStar

1110 West Moreno Street – “Avery Place Apartments”

Property Overview

- Status: Final Planning
- Planning Date: June 2024
- Construction Start: August 2025
- Completion: August 2027
- Type: 3-Star Mid-Rise Apartments
- Units: 112
- Gross Building Area (GBA): 200,000 SF
- Land Area: 21.75 acres
- Zoning: C1
- Walk Score: 42 (Car-Dependent)
- Transit Score: 27 (Some Transit)

Amenities

- Building Amenities: Fitness center, playground, laundry facilities, walking/biking trails, picnic area
- Access: Public transportation nearby
- Airport Proximity: 13 minutes to Pensacola International Airport (4.9 miles)

Flood Risk

- Zone: FEMA Flood Zones B and X (Moderate to Low Risk)
- Floodplain Area: Between 100-year and 500-year flood limits
- Not in SFHA (Special Flood Hazard Area)

PENSACOLA POB INC
125 Baptist Way #6a
Pensacola, FL 32503

Source: CoStar

West Mallory Street – "Kupfrian Manor"

Property Overview
- Status: Final Planning
- Planning Date: June 2024
- Construction Start: October 2025
- Completion: October 2027
- Type: 4-Star Low-Rise Apartments
- Units: 94
- Gross Building Area (GBA): 100,000 SF
- Land Area: 21.75 acres
- Zoning: C1
- Walk Score: 42 (Car-Dependent)
- Transit Score: 27 (Some Transit)

Amenities
- Building Amenities: Fitness center, playground, laundry facilities, walking/biking trails, picnic area
- Access: Public transportation nearby
- Airport Proximity: 12 minutes to Pensacola International Airport (4.8 miles)

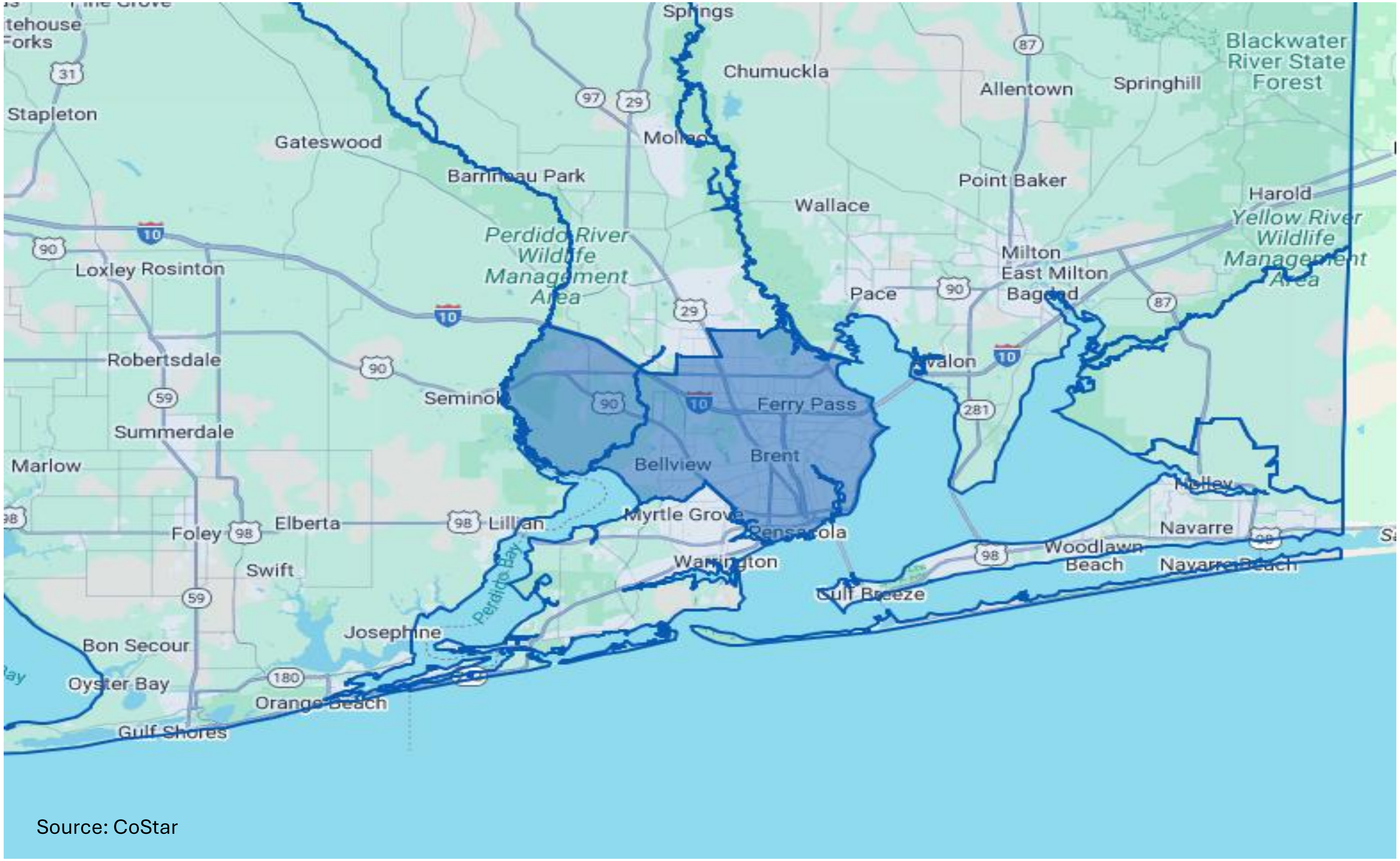
Ownership
- Owner: Crest Residential (Birmingham, AL)
- Developer Type: Regional Developer
- Experience: Over 6,000 units developed, $750M in total investment

Flood Risk
- Zone: FEMA Flood Zones B and X (Moderate to Low Risk)
- Floodplain Area: Between 100-year and 500-year flood limits
- Not in SFHA (Special Flood Hazard Area)

Source: CoStar

AVERY PLACE APARTMENTS LLC
2730 Cumberland Bl SE
Smyrna, GA 30080\

PENSACOLA MULTI FAMILY MARKET AREA MAP



INITIAL DATA REVIEW – MULTI FAMILY FUNDAMENTS

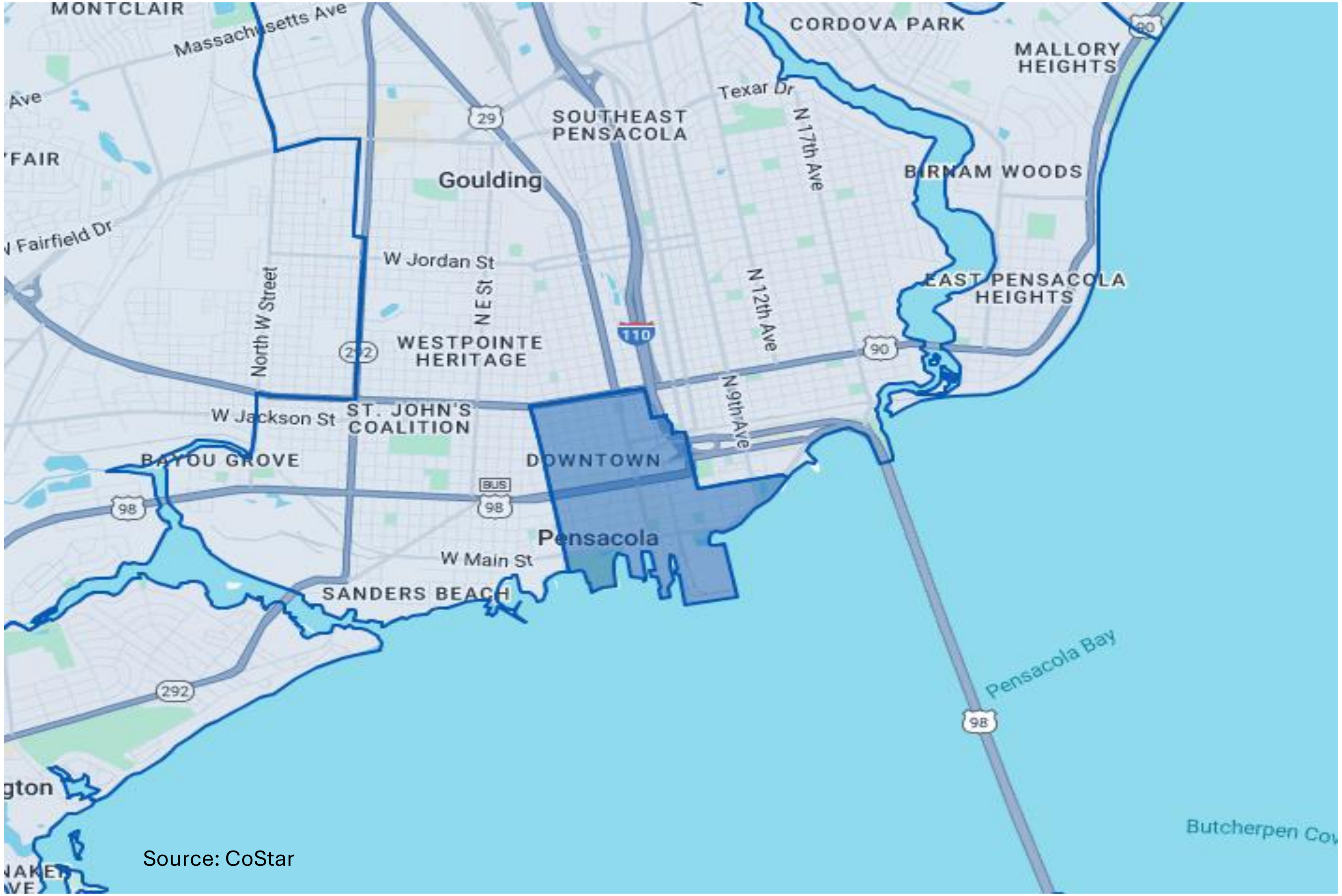
KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	6,393	16.3%	$1,751	$1,713	23	86	800
3 Star	5,145	10.3%	$1,432	$1,420	(12)	0	0
1 & 2 Star	2,746	10.2%	$1,163	$1,153	0	0	0
Submarket	**14,284**	**12.9%**	**$1,547**	**$1,523**	**11**	**86**	**800**

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	1.3% (YOY)	8.1%	10.9%	14.2%	2025 Q1	3.4%	2020 Q3
Absorption Units	574	211	421	1,030	2023 Q4	(184)	2007 Q2
Delivered Units	849	264	373	1,574	2024 Q1	0	2022 Q4
Demolished Units	0	1	2	26	2015 Q1	0	2025 Q2
Asking Rent Growth	-2.3%	2.0%	2.8%	11.8%	2021 Q3	-3.8%	2009 Q4
Effective Rent Growth	-2.4%	2.0%	2.8%	11.7%	2021 Q3	-3.5%	2009 Q4
Sales Volume	$125M	$89.6M	N/A	$295.7M	2022 Q2	$0	2010 Q4

Source: CoStar

PENSACOLA RETAIL MARKET AREA MAP



INITIAL DATA REVIEW – RETAIL FUNDAMENTS

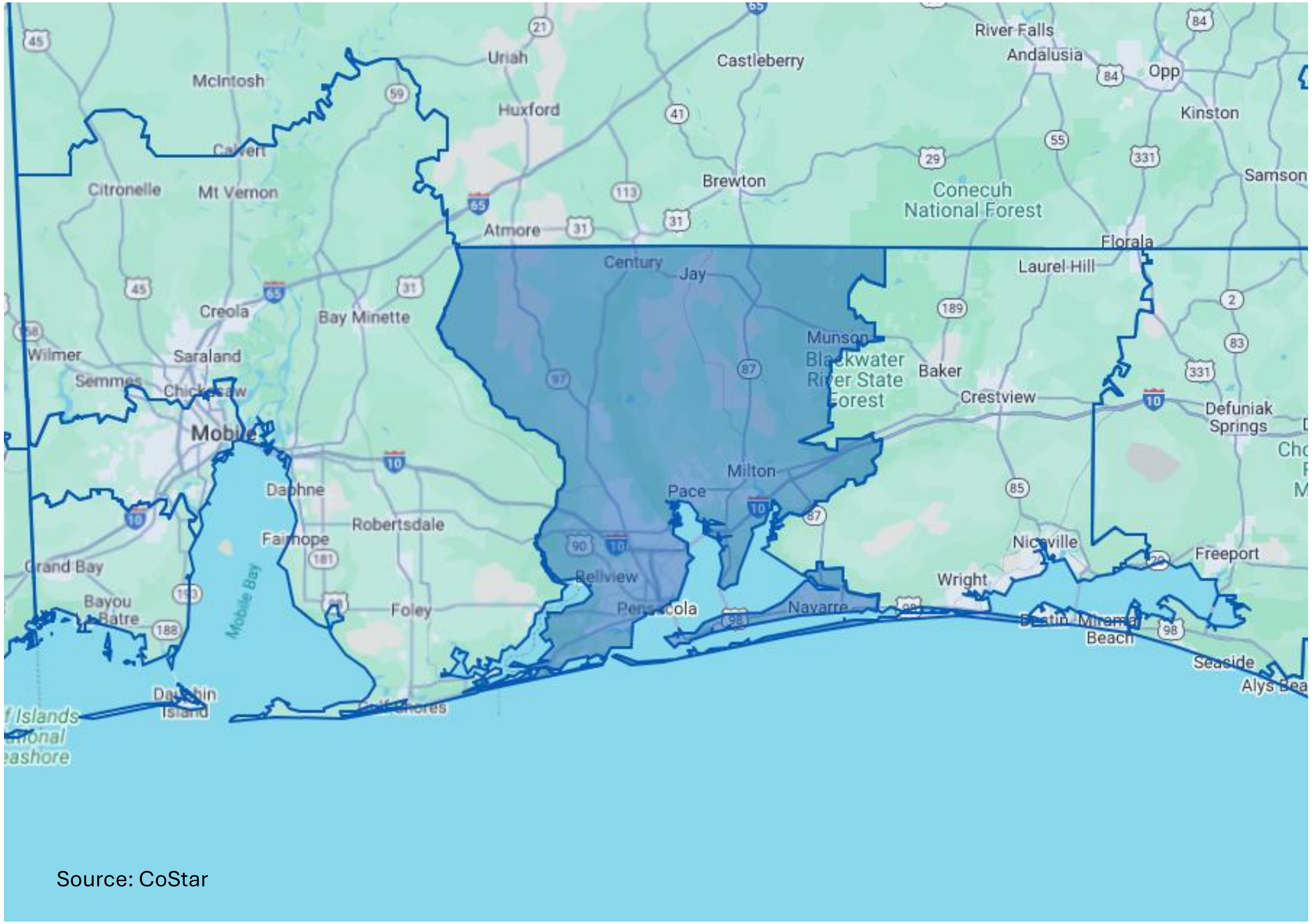
KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Malls	0	-	-	-	0	0	0
Power Center	0	-	-	-	0	0	0
Neighborhood Center	0	-	-	-	0	0	0
Strip Center	9,800	0%	$9.17	0%	0	0	0
General Retail	991,918	3.8%	$20.04	3.5%	(4,500)	0	0
Other	0	-	-	-	0	0	0
Submarket	**1,001,718**	**3.8%**	**$19.93**	**3.5%**	**(4,500)**	**0**	**0**

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	0.7% (YOY)	2.6%	1.4%	6.3%	2013 Q3	0%	2021 Q4
Net Absorption SF	(6.9K)	5,252	4,946	97,926	2016 Q2	(48,101)	2018 Q2
Deliveries SF	0	7,700	1,931	80,330	2016 Q3	0	2025 Q2
Market Asking Rent Growth	2.4%	1.6%	2.4%	5.2%	2022 Q3	-3.9%	2009 Q4
Sales Volume	$1M	$4.6M	N/A	$20.4M	2022 Q3	$0	2024 Q3

Source: CoStar

PENSACOLA HOTEL MARKET AREA MAP



Source: CoStar

COSTAR HOTEL DEFINITIONS

In the context of CoStar, hotel categories are often classified based on their Average Daily Rate (ADR). The hotel industry categorizes itself into several segments:

- Luxury: Includes high-end hotels like Ritz-Carlton and Four Seasons
- Upper Upscale: Brands such as Le Meridien and Embassy Suites
- Upscale: Hotels like Hilton and Hyatt
- Upper Midscale: Brands like Hyatt Place and Courtyard
- Midscale: Includes hotels like Hampton Inn and Fairfield Inn
- Economy: Hotels like Days Inn and Red Roof Inn

Source: CoStar

INITIAL DATA REVIEW – HOTEL FUNDAMENTS

KEY INDICATORS

Class	Rooms	12 Mo Occ	12 Mo ADR	12 Mo RevPAR	12 Mo Delivered	Under Construction
Luxury & Upper Upscale	736				0	0
Upscale & Upper Midscale	4,629	71.5%	$161.15	$115.26	147	102
Midscale & Economy	4,527	53.7%	$84.62	$45.43	246	98
Total	**9,892**	**62.8%**	**$142.34**	**$89.41**	**393**	**200**

Average Trend	Current	3 Mo	YTD	12 Mo	Historical Average	Forecast Average
Occupancy	75.8%	72.0%	64.4%	62.8%	64.5%	59.8%
Occupancy Change	-0.7%	0.3%	-0.5%	1.4%	1.7%	-1.2%
ADR	$181.81	$164.52	$144.57	$142.34	$141.18	$147.47
ADR Change	0.5%	0.6%	0.6%	-0.2%	4.9%	1.5%
RevPAR	$137.78	$118.42	$93.04	$89.41	$91.04	$88.21
RevPAR Change	-0.2%	0.9%	0%	1.2%	6.8%	0.2%

Source: CoStar

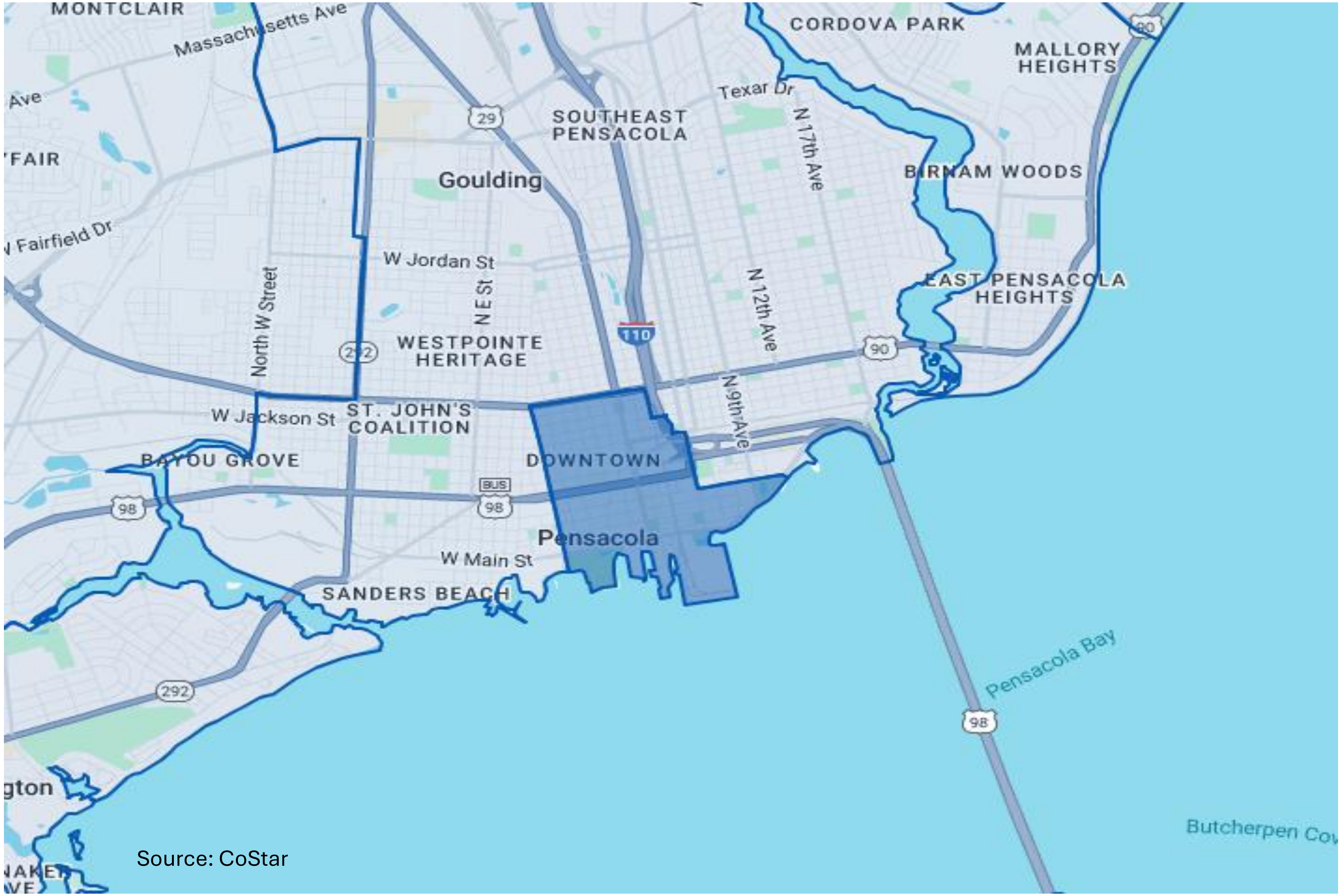
PLANNED HOTEL DEVELOPMENTS

Property List

	Property Name/ Address	Type	Built/ Renovated	Size (% Leased)	SF Available	Asking Rent	Asking Price (Cap Rate)
1	Homewood Suites by Hilton.. 801 E Gregory St Pensacola, Florida 32503	Hotel ★★★★☆	2027	124 Rooms	-	Withheld	Not For Sale
2	Hotel Tristan Pensacola, T... 39 East Chase Street Pensacola, Florida 32502	Hotel ★★★★☆	2034	148 Rooms	-	Withheld	Not For Sale
3	AC Hotel Pensacola 226 South Palafox Pl Pensacola, Florida 32502	Hotel ★★★★☆	2027	170 Rooms	-	Withheld	Not For Sale
4	Staybridge Suites Pensac... 750 Commendencia St Pensacola, Florida 32502	Hotel ★★★☆☆	2027	120 Rooms	-	Withheld	Not For Sale
5	AC Hotel by Marriott Pens... 101 W Main St Pensacola, Florida 32502	Hotel ★★★★☆	2028	150 Rooms	-	Withheld	Not For Sale
6	REVERB by Hard Rock P... Maritime Park Pensacola, Florida 32502	Hotel ★★★★☆	2029	125 Rooms	-	Withheld	Not For Sale
7	Palafox Post Office Hotel 101 Palafox Pl Pensacola, Florida 32502	Hotel ★★★★☆	2028	159 Rooms	-	Withheld	Not For Sale
8	Tempo by Hilton Pensacola.. 600 S Palafox St Pensacola, Florida 32502	Hotel ★★★★☆	2027	228 Rooms	-	Withheld	Not For Sale

Source: CoStar

PENSACOLA OFFICE MARKET AREA MAP



INITIAL DATA REVIEW – OFFICE FUNDAMENTS

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	233,088	4.0%	$30.76	19.2%	474	0	0
3 Star	1,602,413	1.5%	$30.69	2.4%	11,968	0	0
1 & 2 Star	1,557,637	2.5%	$27.06	2.5%	0	0	0
Submarket	**3,393,138**	**2.1%**	**$29.03**	**3.6%**	**12,442**	**0**	**0**

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	-1.1% (YOY)	4.8%	2.2%	7.9%	2010 Q4	1.4%	2024 Q1
Net Absorption SF	37.1K	15,807	404	130,395	2015 Q1	(57,749)	2009 Q2
Deliveries SF	0	12,565	1,069	130,354	2019 Q2	0	2025 Q2
Market Asking Rent Growth	-0.6%	1.5%	1.9%	11.1%	2015 Q3	-9.4%	2011 Q4
Sales Volume	$8M	$9.9M	N/A	$76.4M	2022 Q3	$0	2021 Q3

Source: CoStar

COSTAR MARKET REPORTS

COSTAR REPORTS FOR FOLLOWING USES ARE ATTACHED UNDER SEPARATE COVER

- Retail
- Multifamily
- Office
- Hotel

Thank You

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75 YEARS

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