



City of Pensacola

Community Redevelopment Agency

Agenda

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

August 5, 2024, 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

APPROVAL OF MINUTES

1. 24-707 CRA MEETING MINUTES - 7/15/2024

Attachments: *CRA Meeting Minutes - 07/15/2024*

PRESENTATIONS

2. 24-687 COMMUNITY POLICING UPDATE

Recommendation: That the Community Redevelopment Agency (CRA) receive an update regarding community policing activities within the Urban Core Community Redevelopment Area.

Sponsors: Jennifer Brahier - Chairperson

Attachments: *None*

ACTION ITEMS

3. 24-690 APPROVAL OF DISPOSITION AND LEASE AGREEMENT FOR 2305 W CERVANTES ST WITH SMITH AND HENZY AFFORDABLE GROUP, INC.

Recommendation: That the Community Redevelopment Agency (CRA) recommend disposition of the real property located at 2305 West Cervantes Street via direct negotiation with Smith & Henzy Affordable Group, Inc. Further, that the CRA recommend approval of a lease agreement with Smith & Henzy Affordable Group, Inc. as enumerated herein. Finally, that the CRA authorize the reclassification of 2017 Westside bond funds which were previously contributed towards acquisition and site preparation of the property, in the amount of \$844,692.31, to the Connectivity to Global Learning Academy and Legion Field corridor improvement project.

Sponsors: Jennifer Brahier - Chairperson

Attachments: *Site Map - 2305 W Cervantes St*
 Request for Letters of Interest - 2305 W Cervantes St
 Smith & Henzy Affordable Group - RLOI Response 03/24/2024
 Bluestone Developers, LLC - RLOI Response 03/22/2024
 Notice of Intent to Dispose - 2305 W Cervantes Street
 Bluestone Developers, LLC - Updated Proposal 05/24/24
 Wurm Environmental - Proposal 05/24/2024
 Smith & Henzy - Final Package 06/23/2024
 Proposed Ground Lease with Smith Henzy 7.29.2024

4. 24-689 BUDGET RESOLUTION NO. 2024-56 CRA - ADOPTING A BUDGET FOR THE TAX INCREMENT FINANCING DISTRICTS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2024

Recommendation: That the Community Redevelopment Agency adopt Budget Resolution No. 2024-56 CRA adopting a budget for Fiscal Year 2025 for the Urban Core Tax Increment Financing District, the Eastside Tax Increment Financing District and the Westside Tax Increment Financing District. Further that the Community Redevelopment Agency formally recommend to City Council to take action to approve the budgets for the tax increment financing districts.

A RESOLUTION OF THE PENSACOLA COMMUNITY REDEVELOPMENT AGENCY ADOPTING A BUDGET FOR THE URBAN CORE TAX INCREMENT FINANCING DISTRICT, THE EASTSIDE TAX INCREMENT FINANCING DISTRICT AND THE WESTSIDE TAX INCREMENT FINANCING DISTRICT FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2024; PROVIDING AN EFFECTIVE DATE.

Sponsors: Jennifer Brahier - Chairperson

Attachments: *Budget Resolution No. 2024-56 CRA*
 CRA Budget Presentation - FY2025 - CROSSWALK FROM JUNE

TO JULY

DISCUSSION ITEMS

5. 24-688 UPDATE ON RESIDENTIAL PROPERTY IMPROVEMENT PROGRAM (RPIP)

Recommendation: N/A

Sponsors: Jennifer Brahier - Chairperson

Attachments: None

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 #: 24-707

Community Redevelopment Agency

8/5/2024

ACTION ITEM

SPONSOR:

SUBJECT:

CRA Meeting Minutes - 7/15/2024

RECOMMENDATION:

SUMMARY:

PRIOR ACTION:

FUNDING:

Budget: \$_____

Actual: \$_____

\$_____ TOTAL

FINANCIAL IMPACT:

LEGAL REVIEW ONLY BY CITY ATTORNEY: No

STAFF CONTACT:

ATTACHMENTS:

1. CRA Meeting Minutes - 07/15/2024

PRESENTATION: No



City of Pensacola

Community Redevelopment Agency

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

Meeting Minutes

July 15, 2024, 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.

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CALL MEETING TO ORDER

The Community Redevelopment Agency (CRA) Board Meeting was called to order by Chairperson Brahier at 4:33 P.M. (Immediately following the 3:30 P.M. City Council Agenda Conference).

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

Members Absent: None

Also Present: Mayor D.C. Reeves

BOARD MEMBER DISCLOSURE

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

CHAIRPERSON'S REPORT

None.

APPROVAL OF MINUTES

1. 24-659 CRA MEETING MINUTES - 06/10/2024

Recommendation:

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

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

2. 24-585 PROPOSED FY2025 CRA BUDGET PRESENTATION

Recommendation:

Amy Lovoy, City of Pensacola Finance Director, provided an overview of the item. Victoria D'Angelo, CRA Division Manager, and Mayor Reeves, spoke to the item as well. Staff answered questions accordingly.

3. 24-614 DOWNTOWN IMPROVEMENT BOARD ANNUAL REPORT - 2023-24

Recommendation: N/A

CRA Division Manager Victoria D'Angelo introduced the item. Walker Wilson, DIB Executive director, provided a presentation of the item. Staff responded to questions accordingly.

ACTION ITEMS

4. 24-615 PENSACOLA DOWNTOWN IMPROVEMENT TAXING DISTRICT TIF EXEMPTION

Recommendation: That the Community Redevelopment Agency (CRA) consider a recommendation from the Pensacola Downtown Improvement Board (DIB) requesting that City Council authorize exemption of the Pensacola Downtown Improvement Taxing District from the Urban Core Tax Incremental Financing (TIF) contribution, provided that the DIB contribute fifty percent (50%) of the cost to remove the Pensacola Downtown Improvement Taxing District from the redevelopment revenue bond pledge. Further, that the interlocal agreement be terminated as of the start of the 2025 fiscal year. Finally, that the CRA Chairperson be authorized to take all actions necessary to effectuate TIF exemption, amendment of the bond covenants and termination of the CRA and DIB interlocal.

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

CRA Division Manager Victoria D'Angelo provided a brief overview of the item. DIB Executive Director Walker Wilson, City Attorney Adam Cobb, Deputy City Administrator David Forte, and Mayor Reeves also spoke to the item, and staff answered questions accordingly.

The motion passed by the following vote:

Yes: 6 Jennifer Brahier, Allison Patton, Teniade Broughton, Casey Jones, Jared Moore, Delarian Wiggins
No: 1 Charles Bare

5. 24-593 RESOLUTION NO. 2024-47 CRA AUTHORIZING THE CRA TO TERMINATE THE FDOT BEAUTIFICATION GRANT FOR GARDEN STREET LANDSCAPE IMPROVEMENTS - WEST OF A STREET

Recommendation: That the Community Redevelopment Agency (CRA) adopt Resolution No. 2024-47 CRA.

A RESOLUTION OF THE CITY OF PENSACOLA COMMUNITY REDEVELOPMENT AGENCY, PENSACOLA, FLORIDA; TERMINATING THE FDOT GRANT BEAUTIFICATION GRANT AGREEMENT FOR GARDEN STREET LANDSCAPE IMPROVEMENTS - WEST OF A STREET.

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

CRA Division Manager Victoria D'Angelo gave a brief update of the item and staff responded accordingly to questions.

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. 24-641 AMENDMENT NO. 1 TO CONTRACT WITH URBAN DESIGN ASSOCIATES UNDER RFQ. NO 23-014

Recommendation: That the Community Redevelopment Agency (CRA) ratify Amendment No. 1 to the contract with Urban Design Associates awarded under RFQ No. 23-014 to add another month of community engagement activities for the Equitable Development Framework Plan for the Hollice T. Williams Stormwater Park, as further specified in the attached scope and fee proposal. Further, that the CRA authorize the CRA Chairperson to take all actions necessary to execute the contract amendment.

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

Victoria D'Angelo, CRA Division Manager, provided an overview of the item. Mayor Reeves spoke to the item as well and staff responded accordingly to questions.

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

PRESENTATIONS

None.

OPEN FORUM

None.

ADJOURNMENT

5:43p.m.

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Memorandum

File #: 24-687

Community Redevelopment Agency

8/5/2024

PRESENTATION

SPONSOR: Jennifer Brahier - Chairperson

SUBJECT:

COMMUNITY POLICING UPDATE

RECOMMENDATION:

That the Community Redevelopment Agency (CRA) receive an update regarding community policing activities within the Urban Core Community Redevelopment Area.

SUMMARY:

The CRA and the City of Pensacola annually enter into an Interlocal Agreement to provide community policing activities within the entirety of the Urban Core Community Redevelopment Area from 17th Avenue to A Street. The Pensacola Police Department will provide an update.

PRIOR ACTION:

August 14, 2023 - CRA approved the interlocal agreement with the City of Pensacola to provide Community Policing Innovations within the Urban Core Community Redevelopment Area for Fiscal Year 2024.

FUNDING:

N/A

FINANCIAL IMPACT:

N/A

LEGAL REVIEW ONLY BY CITY ATTORNEY: No

STAFF CONTACT:

Erica Grancagnolo, Economic Development & Neighborhood Services Director
Victoria D'Angelo, CRA Division Manager
Hilary Halford, CRA Division Assistant Manager
Eric Randall, City of Pensacola Police Chief

ATTACHMENTS:

None

PRESENTATION: Yes



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 24-690

Community Redevelopment Agency

8/5/2024

ACTION ITEM

SPONSOR: Jennifer Brahier - Chairperson

SUBJECT:

APPROVAL OF DISPOSITION AND LEASE AGREEMENT FOR 2305 W CERVANTES ST WITH SMITH AND HENZY AFFORDABLE GROUP, INC.

RECOMMENDATION:

That the Community Redevelopment Agency (CRA) recommend disposition of the real property located at 2305 West Cervantes Street via direct negotiation with Smith & Henzy Affordable Group, Inc. Further, that the CRA recommend approval of a lease agreement with Smith & Henzy Affordable Group, Inc. as enumerated herein. Finally, that the CRA authorize the reclassification of 2017 Westside bond funds which were previously contributed towards acquisition and site preparation of the property, in the amount of \$844,692.31, to the Connectivity to Global Learning Academy and Legion Field corridor improvement project.

HEARING REQUIRED:

SUMMARY:

On June 12, 2023 and June 15, 2023, the City of Pensacola Community Redevelopment Agency (CRA) and City Council, respectively, adopted resolutions approving and authorizing the expenditure of City and CRA funds to acquire 2305 W Cervantes Street in furtherance of Chapter 163, Part III and the 2007 Westside Redevelopment Plan. The CRA authorized staff to proceed with issuance of a Request for Letters of Interest (RLOI) for reuse or redevelopment of the former Pensacola Motor Lodge for attainable rental multifamily housing on January 16, 2024. The RLOI was released on February 23, 2024 and closed on April 24, 2024. Two responses were received from Smith & Henzy Affordable Group, Inc. and Bluestone Developers, LLC. In accordance with Chapter 163, Part III, the CRA subsequently issued a Notice of Intent to Dispose of the property on April 4, 2024. The NID closed on May 24, 2024. An updated response from Bluestone Developers, LLC was received and an incomplete response from Wurm Environmental. A copy of the proposals are attached.

Following review of the proposals, an invitation to negotiate was issued to Smith & Henzy Affordable Group, Inc. The final detail required by the NID was received by the deadline of June 24, 2024. The proposal includes a 4-story multifamily building containing a minimum of 84 units with restricted rents ranging from 30-80% of the Area Median Income (AMI) for

Escambia County as follows:

- Min. 15 units at 30% AMI
- Min. 26 units at 60% AMI
- Min. 43 units at 80% AMI

In the event the total number of units exceeds the minimum, additional units will be added pro-rata to the above-mentioned categories. At least 50% of the units will serve veterans as defined in the RFA described below, with the greater of 5 units or 5% of the total units serving homeless veterans. The lease is contingent upon the developer's successful application and award of funding under Request for Applications (RFA) # 2024-215: SAIL Funding for development near Military Installations pursuant to The Live Local Act; 420.50871, F.S. and the ability of the City to secure twenty-five (25) Veteran Affairs Supportive Housing (VASH) vouchers from the Office of Veterans Affairs. On or before the date that is 17 years following the Commencement Date, the Company shall deliver to the City a lump sum payment in the amount of \$1,050,000 in the form of a wire transfer or otherwise immediately available funds, subject to a lease provision requiring that if development costs materially decrease by 15% or more, at construction completion, the realized value accrues to the City. The lease is for a term of 99 years with a 99-year affordability period which coincides with the term of the tax exemption that the developer will apply for under the Live Local Act.

PRIOR ACTION:

June 12, 2023 - CRA adopted Resolution No. 2023-04 CRA authorizing the City to acquire 2305 West Cervantes Street in furtherance of the Westside Redevelopment Plan.

June 15, 2023 - City Council adopted Resolution No. 2023-047 authorizing the City to acquire 2305 West Cervantes Street in furtherance of the Westside Redevelopment Plan.

January 16, 2024 - CRA authorized staff to issue a Request for Letters of Interest for Reuse or Redevelopment of 2305 West Cervantes Street.

April 8, 2024 - The CRA authorized staff to issue a Notice of Intent to Dispose under Chapter 163, Part III for 23015 West Cervantes Street.

FUNDING:

N/A

FINANCIAL IMPACT:

If the developer is successful in securing funding through the RFA, on or before the date that is 17 years following the Commencement Date, the Company shall deliver to the City a lump sum payment in the amount of \$1,050,000 in the form of a wire transfer or otherwise immediately available funds. Taxes are anticipated to be exempted under the provisions of the Live Local

Act. Reclassification will attribute tax-exempt bond funds to the Connectivity to Global Learning Academy and Legion Field corridor improvement project and instead fund the site acquisition and preparation of 2305 W Cervantes Street with Westside TIF.

LEGAL REVIEW ONLY BY CITY ATTORNEY: No

STAFF CONTACT:

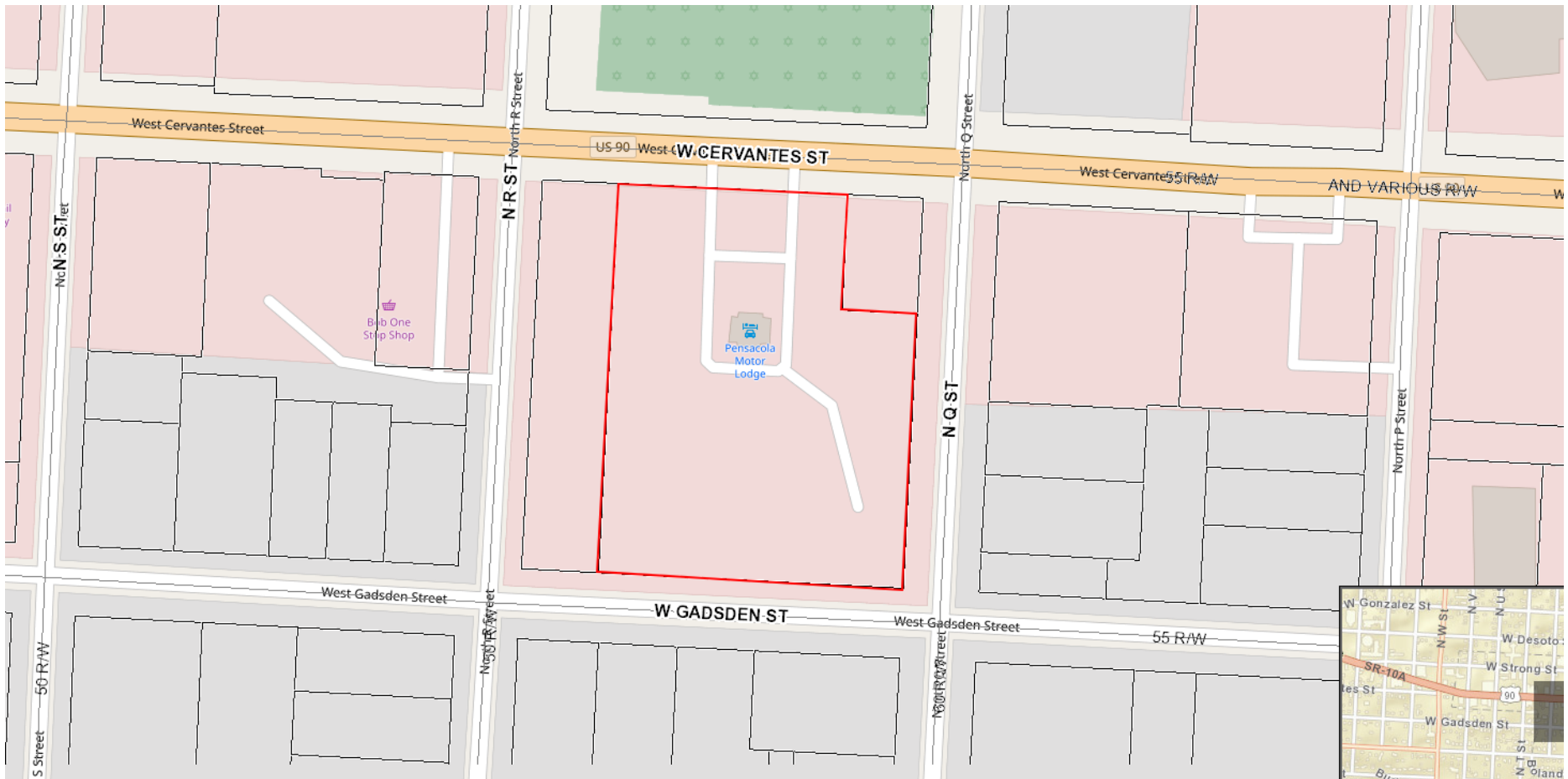
Erica Grancagnolo, Economic Development Director
Victoria D'Angelo, CRA Division Manager
Hilary Halford, Asst. CRA Division Manager

ATTACHMENTS:

1. Site Map - 2305 W Cervantes St
2. Request for Letters of Interest - 2305 W Cervantes St
3. Smith & Henzy Affordable Group - RLOI Response 03/24/2024
4. Bluestone Developers, LLC - RLOI Response 03/22/2024
5. Notice of Intent to Dispose - 2305 W Cervantes Street
6. Bluestone Developers, LLC - Updated Proposal 05/24/24
7. Wurm Environmental - Proposal 05/24/2024
8. Smith & Henzy - Final Package 06/23/2024
9. Proposed Ground Lease with Smith Henzy 7.29.2024

PRESENTATION: Yes

2305 West Cervantes Street



CITY OF PENSACOLA, FLORIDA

REQUEST FOR LETTERS OF INTEREST

REUSE OR REDEVELOPMENT OF FORMER PENSACOLA MOTOR LODGE
FOR ATTAINABLE MULTIFAMILY RENTAL HOUSING
AT 2305 WEST CERVANTES STREET, PENSACOLA FLORIDA 32505



Conceptual Illustration: Westside Neighborhoods Town Center

INTRODUCTION

The City of Pensacola and its Community Redevelopment Agency (jointly and separately referred to as “City”) is soliciting Letters of Interest (LOI) from interested developers specializing and/or experienced in developing attainable, affordable and/or workforce multi-family rental housing for the rehabilitation and/or redevelopment of the former Pensacola Motor Lodge at 2305 West Cervantes Street.

The City is requesting letters of interest from qualified developers to:

- Gauge the type and extent of interest in the redevelopment of the property in line with the objectives described in this RLOI
- Provide opportunities for interested parties to identify other entities that may be interested in participating as co-developers, and to
- Inform the preparation and issuance of a formal solicitation for selection of a development partner.

Qualified developers must have the experience and financial and technical capability to design, construct, finance, operate, maintain, and manage the development and to remain operational and compliant for the life of the project.

The CRA is vested by the State of Florida pursuant to its powers under Florida Statutes, Chapter 163, Part III, the Community Redevelopment Act of 1969 as amended, with the authority to request proposals for the redevelopment of any

area within its District in order to effectuate redevelopment pursuant to the goals and objectives of the [Westside Community Redevelopment Plan](#) (the “Redevelopment Plan”).

Letters of interest will be accepted for a minimum of 30-days ending on March 24, 2024, 5:00 P.M., local time, but may be accepted on an on-going basis until closed at the discretion of the City administration.

Submittals may be provided via electronic transmission to redvelopment@cityofpensacola.com or at the following location:

**City Hall
222 West Main Street, 3rd Fl
Pensacola, Florida 32502
Attention: CRA Division Manager**

The LOI shall **identify the respondent and the RLOI title** (whether hand-delivered, mailed, or via UPS/FedEx or other courier service). Submittals received after the closing time may not be accepted. Multiple submittals from the same entity will not be accepted.

The City will acknowledge the receipt of all LOIs. The City will notify all interested respondents of any pertinent actions taken

Depending on the number and contents of the LOIs received; the City will determine the appropriate process to proceed. Although, it is the intention of the City to issue a formal solicitation following receipt of the LOIs, the City may also take an alternative action determined by the City to be in its best interest or take no action. Receipt and acknowledgement of any LOI does not imply or provide the interested party with any right or interest in the property or expectation of any on the part of the City.

TIMELINE

The anticipated schedule is as follows:

Issuance of RLOI	February 23, 2024
Informational Conference & Site Visit	March 11, 2024
Deadline for LOIs	March 24, 2024 (subject to extension)
Formal Solicitation (Anticipated)	Upon identification of one or more qualified development partners

	meeting the goals and objectives set out in this RLOI.
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The City reserves the right to advance or delay scheduled dates and/or to modify this schedule in any way.

An *optional* informational conference will be held as detailed below. An *optional* site visit will also follow. Interested parties are strongly encouraged to attend.

Date:

March 11, 2024

Informational Conference:

9:00-10:00 a.m. local time

Pensacola City Hall,
222 W Main Street, Pensacola Florida

Or via Microsoft Teams:

Join on your computer, mobile app or room device

[Click here to join the meeting](#)

Meeting ID: 212 550 028 630

Passcode: wroe5u

[Download Teams](#) | [Join on the web](#)

Site Visit:

(Approx.) 10:15-11:15 a.m. local time

2305 W Cervantes Street, Pensacola, Florida

The conference will highlight the notable features of the site and will be an opportunity for perspective respondents to ask the City questions regarding the project and the City's goals and objectives.

Documentation associated with this RLOI, if not attached, may be obtained from the City of Pensacola website:

<https://www.cityofpensacola.com/3514/Development-Opportunities>.

Any addendum issued will be posted to the City's website. Respondents are responsible for obtaining addenda and are advised to check the website frequently.

Questions concerning the RLOI should be addressed and submitted in writing to:

Victoria D'Angelo, CRA Division Manager
City Hall 3rd Floor
222 West Main Street, Pensacola, Florida 32502
reddevelopment@cityofpensacola.com

SUBJECT PROPERTY DESCRIPTION

The subject parcel at 2305 W CERVANTES ST (Parcel 000S009060010173) consists of a 1.56+/- acre parcel of land. The subject site contains approximately 67,800 square feet with 180 feet of frontage along the south side of West Cervantes Street, 240 feet of frontage along the north side of West Gadsden Street and 215 feet of frontage along the west side of North Q Street. The property is approximately two blocks west of the Pace Boulevard/Cervantes Street intersection.

The improvements to the site consist of eleven buildings containing approximately 11,774 square feet of building area with 30 motel rooms and an office/manager apartment. The improvements were originally constructed in 1932 using stucco over concrete block on concrete slabs and have been renovated over the years.

The site was historically operated as a motor lodge when West Cervantes Street functioned as a route to the west. The lodge dates back to 1932 and is the only example of Tudor Revival style architecture in the Brownsville area based on architectural survey.

The architectural survey may be accessed via the following link:
<https://myescambia.com/our-services/neighborhood-human-services/community-redevelopment-agencies/community-redevelopment-areas/brownsville-redevelopment-district> See *"Brownsville Architectural Survey and Historic Evaluation (2003)*.

Historic images of the site are attached in Appendix G.

***A Site Map, Site Survey and Property Condition Assessment are included as Appendices A, B and C, respectively. The site has also been assessed by an environmental management firm. Assessments are attached as Appendix D.

ZONING AND SITE DEVELOPMENT STANDARDS

The parcel is zoned C-3, Commercial Zoning District (Wholesale and Limited Industry) allowing for numerous uses including multi-family residential. The parcel is located in the Urban Design Overlay District (UDOD) ([LDC Sec. 12-3-31](#))

designed to preserve and maintain the urban pattern and architectural character of Pensacola's redevelopment areas.

Associated land development regulations for this zoning district and additional information is attached as Appendix E.

Density: The density for this parcel is 35 du/acre. However, several mechanisms exist to allow for greater density up to 35% as follows:

- Voluntary green building incentive ([Sec. 14-2-296](#)) – 25%
- Residential density bonuses ([LDC Sec. 12-3-109](#)) – Up to 35%. *To maximize the use of the Property the City may consider sponsoring density bonuses for affordable housing from its donor sites as described in LDC Sec. 12-3-109.*

Height: The height limit for this parcel is between one hundred (100) to one hundred fifty (150) feet, depending on the form of the building (See [LDC Sec. 12-3-8](#), Table 12-3.7, Note 1), and a maximum of 10 stories per the UDOD standards.

***It is important to note that two potential opportunities exist for added flexibility in height as follows:

- **Height Bonus:** In January 2024 the Pensacola City Council added a **height bonus** provision to the Land Development Code to allow height to reach up to 150 feet at the property or setback line for this site, subject to Planning Board review and approval. Full details on the height bonus regulation is attached as Appendix E.
- **UDOD Standard Modification Process** – See Section 12-3-31(6) LDC.

Expedited permitting for affordable housing is available. Details are available on the City website via the following link:

<https://www.cityofpensacola.com/DocumentCenter/View/23263/Affordable-Housing-Expedited-Permitting-Policy-Website-Form>

Projects including demolition will require review by the City's Architectural Review Board (ARB) pursuant to [Sec. 12-11-5\(5\)](#). A historic structure demolition application was submitted by the CRA to determine whether projects proposing demolition would require review by the full ARB. One of the reviewers did determine the buildings to be historically significant and referred the application to the full board. For projects proposing demolition, it is important to note, that should the board determine the buildings to be historically significant, demolition cannot be prohibited but only delayed sixty (60) days pursuant to Sec. 12-11-5(5)e.5.i.(a)-(b) of the city code.

DEVELOPMENT TEAM REQUIREMENTS

Respondents may include one entity or a team of several entities, including any of the following: for-profit or non-profit housing developers, joint ventures, resident services providers, or other services agency. Development teams must include the developer, architect, engineer, and property management company.

The City anticipates the following requirements of the development team:

- **Lead entity** must have demonstrated experience and capacity in the development and management of affordable housing and have successfully completed no less than three (3) affordable housing projects, of similar size and complexity as the proposed project, within the past ten (10) years.
- **The property management company** must demonstrate experience in the management of at least two affordable housing projects, at least one of which consists of a total number of units no less than 50 percent of the total number of units in the proposed development, for at least 2 years each.
- **Team** must have demonstrated experience in:
 - Site preparation and infrastructure development on similarly situated sites;
 - Successfully applying and closing on low-income housing tax credit, SAIL, SHIP, HOME, CDBG or other local, state and federal housing finance programs administered by the Florida Housing Finance Corporation or local government or similar agency; and
 - Real estate development and financing strategies that maximize utilization of scarce affordable housing funding resources.

COMMUNITY REDEVELOPMENT PLAN

In accordance with Chapter 163, Part III, Florida Statutes, (the “Community Redevelopment Act”), the property must be utilized to further the goals and objectives of the [Westside Community Redevelopment Plan](#). The goals include, but not limited to, attainable housing redevelopment, with or without non-residential uses, preservation and conservation of the district and remediation of blight.

A copy of the Westside Community Redevelopment Area Map is accessible via the City website:

<https://www.cityofpensacola.com/DocumentCenter/View/172/Westside-Community-Redevelopment-Area-CRA-Plan-PDF?bidId=>

The [Redevelopment Plan](#) details the following objectives potentially related to projects proposed to take place on the property and includes action strategies for implementing the objectives:

- Westside Neighborhoods Town Center: Redefine the functional and visual character of Cervantes Street to provide for a focal space in the neighborhood's center for public gathering and reduce the negative image and undesired activities from the neighborhood.
- Neighborhood Activity Corridor: Cervantes Street: Transform the functional and visual character of the street as a primary neighborhood corridor and establish the neighborhood center to stimulate quality development in the Westside Redevelopment Area. Capitalization on the location and economic development opportunities to integrate the redevelopment area at a scale that is pedestrian friendly and compatible with the residential neighborhoods is desired.
- Residential Preservation and Enhancement: Preserve and enhance the residential character of the neighborhood to maintain the affordable housing stock within the neighborhood through investment in public infrastructure and by establishing or promoting programs that support investment in residential renovations and redevelopment of existing housing stock.
- Multi-Family Residential: Development to promote utilization of new urbanism design and site planning principles to upgrade the architectural character and to ensure integration of community planning principles in future residential development and in-fill housing efforts.
- Residential Neighborhood Commercial: Ensure the integration of future development patterns with the proposed campus-oriented layout to deviate from the existing commercial development. Accommodate transitions in land use through appropriate zoning regulations, investment in pedestrian improvement and incentives for private sector investment in the adaptive reuse of existing residential structures.

PROJECT DESCRIPTION

The City seeks impactful proposals that produce attainable housing with an emphasis on low income and special needs housing as defined at [Section 420.0004, Florida Statutes](#). Projects containing housing for persons/households with special needs must include supportive services. Minimum criteria for supportive service provider must be consistent with requirements and definitions as part of the Florida Housing Finance Corporation's competitive Request for Applications (RFA) solicitation process. Mixed income models with varied income levels up to 100% AMI are most desirable. The City may consider rehabilitation and new construction projects or a mixture of the two.

Site design must be cohesive, have good connectivity, ease of access, and incorporate, as applicable, CRA plan objectives and action items.

Other project preferences include:

- A mixture of special needs and non-special needs housing.
- The following income-mix model:
 - At least 50% of the rental dwelling units are affordable to individuals with a median household income of 60% AMI or less. 30% of the 50% total to be available at 30% AMI or less.
 - Up to 30% of the rental dwelling units are affordable to individuals with a median household income of 60%-80% AMI or less.
 - Up to 20% of the rental dwelling units are affordable to individuals with a median household income of 80%-100% AMI or less
- On-site resident programs such as after school program for children, adult literacy, employment assistance program, family support coordinator, financial management program, or homeownership opportunity program.
- Ground floor retail, restaurant, entertainment, art gallery, grocery store, business incubator and/or maker space components that may include subsidized space for a small, locally owned business(s) made available first to Minority and Women-owned Business Enterprises (MWBE).
- Projects that preserve, reflect and/or pay tribute to the historic Tudor vernacular of the site.
- Inclusion of Minority and Women- owned Business Enterprises (MWBE) vendors.
- Unit Features:
 - Variations in Floor Plans – must provide studio, 1 bedroom (New construction only) 2 bedrooms and 3 bedrooms
 - Impact Glass Windows included for each model
 - Appliance Package included for each model
 - Tile or Vinyl Plank Flooring (or comparable material) in at least the Kitchen and Bathrooms included for each model
 - Recessed Lighting in all common areas included for each model
- Streetscape and Public Art: A site plan design including landscaping and hardscape and public art.
- Landscaping: Skilled landscape architect on development team to incorporate Complete Street designs into the site plan. A high-quality project that incorporates sidewalks, street trees, and an urban environment that is conducive to walking and bicycling for all generations.

- Application of green building standards as specified in the City of Pensacola Code of Ordinances Section 14-2-295 “Green Building Standards”.

SITE CONTROL

In June 2023, the City and its CRA authorized the purchase of the site. The City has conducted its due diligence and close the purchase on February 16, 2023 using proceeds of tax-exempt bonds issued by the City. Upon acquisition, it is the City's intent to retain ownership of the parcel and engage in a long-term lease with the selected developer. The City intends to incentivize development of the site by not charging recurring ground lease fees until at least April 1, 2037 which is the date upon which the City bonds will mature. The terms of any lease payments after that date shall be negotiated between the parties and shall be subject to federal regulations governing the tax-exempt bonds used by the City to purchase the site. Lessee will be responsible for payment of all applicable property taxes. The minimum lease term and minimum term of affordability are anticipated to be 30 years. The City anticipates that development terms and restrictions, including maintenance of affordability requirements, will be established and enforced pursuant to a redevelopment agreement, long-term ground lease and a restrictive covenant agreement.

*Note: The property was appraised on April 21, 2023 and is valued between \$835,000-855,000. A copy of this appraisal is attached in Appendix F.

COMMUNITY ENGAGEMENT & MARKETING

The City anticipates the following requirements for community engagement and marketing of the project:

- An engagement and marketing plan providing:
 - Greatest level of access provided as a preference to current residents of the City of Pensacola.
 - Outreach campaigns aimed to reach the existing residents (BIPOC focused) through local groups, community organizations, social media channels, schools, churches, and social clubs to ensure a wide distribution of the announcement of housing availability in the neighborhood.
- Public participation strategy to include public meetings, beyond required Boards and Council, at critical junctures in coordination with City staff, demonstrating expertise in synthesizing public input and incorporating key components into site design and property amenities.

- A website, along with regular public information releases, to ensure full public access to project information throughout the development review, approval, construction, and leasing phases.

ADDITIONAL INCENTIVES

The City intends to incentivize development of the project through provision of its no-payment ground lease. Awards for additional incentives will be subject to negotiation and may only be made at the discretion of the Mayor and the Community Redevelopment Agency and/or City Council.

The City may consider offering one or more of the following additional incentives at its discretion:

- Affordable housing property tax exemption subject to the criteria, procedures and other applicable provisions of Section 196.1979, Florida Statutes.
- In conjunction with the selected developer, the City of Pensacola may support applications to procure federal, state and or local government subsidy for economic development activities and rental units for this project.
- The Affordable Housing Rebate is available, subject to CRA approval, for development projects that are located within the City of Pensacola TIF District. The TIF Rebate must serve to meet a gap in funding and projects must include at least 10% of affordable housing. For the terms of this incentive see the Affordable Housing Area Reinvestment Policy available on the City website: <https://www.cityofpensacola.com/2894/CRA-Programs>
- Other financing options subject to funding availability, gap analysis, and return on investment considerations.

COMPLIANCE & MONITORING REQUIREMENTS

All projects must follow the rules and regulations of 24 CFR Part 5 (Income Limits, Annual Income, Rent, and Examinations for the Public Housing and Section 8 Programs) and the State Housing Initiatives Partnership Program as authorized by Florida Statutes, Chapter 420.907 and the City's Agreement and the Florida Administrative Code 67-37, and in particular related to:

- a. Income limits
- b. Definition of Affordability
- c. Maximum rent
- d. Non-discrimination

The manager of the property must remain in contact with the City's Office during the affordability period and must remain in compliance with state and federal requirements. The manager must stay updated on income qualification training by completing re-training at least once every three years.

Once annually on the date specified by the City, the City or its representative, will conduct a monitoring visit to review income compliance and affordability of rent/housing costs, as well as complete an inspection of the physical condition of the assisted units and the overall property.

30 Days prior to this monitoring visit, the DEVELOPER will provide the following:

- A completed annual re-certification of income eligibility for each assisted rental unit using the attached residential income certification form and including required verification of household income and assets.
- Proof of Affordability of Units
- Certificate of Hazard Insurance naming the City Office as co-insured

SUBMITTAL COMPONENTS

The principal intention of this RLOI is to gauge the type and extent of interest in the redevelopment of the property as outlined herein. The process is deliberately intended to be flexible and inviting to all interested developers. It is important to the City that letters submitted provide as much detail as possible to allow the city gauge the anticipated features and timeline of the project, the feasibility and the qualifications of the respondent. At minimum, letters submitted must enable the City to discern these elements. The following submittal components are requested:

- **Identification** – Identify the lead entity and any anticipated development team members. Specify the business type for lead entity and any anticipated development team members (ex. for-profit or non-profit housing developers, joint ventures, resident services providers, or other services agency.)
- **Contact information** – Provide the contact name, address, telephone number and email address for the responding entity.
- **Degree of Interest** – A narrative description of the responding entities' degree of interest in the project. Please provide any feedback as to any particular components described within this RLOI that would increase or decrease your level of interest in the project.
- **Project Description(s)** – A narrative description of the project that the responding entity would anticipate proposing in response to a formal solicitation for this site. If the responding entity may consider more than one option, please describe the details for each. The project description should address all relative goals and preferences described in the “Project Description” and “Community Redevelopment Plan” sections of this RLOI. In particular, please address the following items:
 - **Reuse Type:** Explain what type of property reuse is of greatest interest to you for this site - rehabilitation, new construction or a combination of the two. Describe any considerations.
 - **Use:** Describe the proposed use of the building(s) and any site features/amenities.
 - **AMI & Special Needs Mix:** Describe the proposed AMI mix including the number and percentage of units at each AMI level and the number of special needs units (if any). If special needs housing is proposed, describe the anticipated populations served and the supportive services to be provided. Specify anticipated rental rates by bedroom count and unit type.

- **Affordability Term:** Describe the maximum term of affordability that the responding entity anticipates providing for the development or the development options. Provide feedback on any further considerations pertaining to affordability term.
- **Development Plan & Design Features:** Please describe how the project would meet any development plan and design preferences described in the “Project Description” section of this RLOI. Include a conceptual plan and/or narrative illustrating the proposed building placement, orientation and massing, including square footages by use type, building height and stories, and any landscaping, streetscape and/or public art features. Specify anticipated number of units by bedroom count and architectural style. Indicate any demolition proposed.
- **Land Development Regulatory Compliance** - Indicate whether the responding entity anticipates that the land development requirements for height, density, parking and any other applicable land development regulations will be met. If not, outline the responding entity’s intended approach to achieving approval.
- **Timeline:** General timeframe for pre-development, construction and occupancy.

▪ **Financial Information –**

- **Preliminary development budget:** The preliminary development budget includes the following: proposed rental unit mix that includes the number of units set aside for the specific AMI range, associated maximum rents according to bedroom size, and anticipated fixed expenses to determine the estimated annual rent revenue; the development budget that includes cost estimates of land and buildings, rehabilitation, hard construction, construction contingency, soft costs, reserves, developer fees, and other associated costs.

Respondents are asked to utilize the [“Operating Budget Template”](#) as the basis for their response.

- **Preliminary Financing Plan:** Include a preliminary financing plan with the anticipated funding sources to be utilized and any financing details, including timelines and subsidy requirements for the development or each development option.

Respondents are asked to utilize the [“Financing Plan Template”](#) as the basis for their response.

- **Subsidy:** Describe any additional subsidy, including type and amount, that the responding entity may anticipate requesting from the City to support the development or the development options.
- **Relevant Experience –**
 - Provide a narrative summary describing how the responding entity anticipates meeting the “Development Team Requirements” described in this RLOI. Please explain any requirements that the responding entity does not anticipate being able to meet.
 - Provide no less than three (3) examples of completed projects of similar size and scope performed by the lead entity, including the name of the project, picture documentation, total cost, date completed, timeframe from award through occupancy and project reference, including reference name, organizational affiliation and contact information. Also list any anticipated development teams members’ involvement in the project.
- **Additional Feedback** – Provide any additional feedback that you believe the City should consider regarding the solicitation of this project.

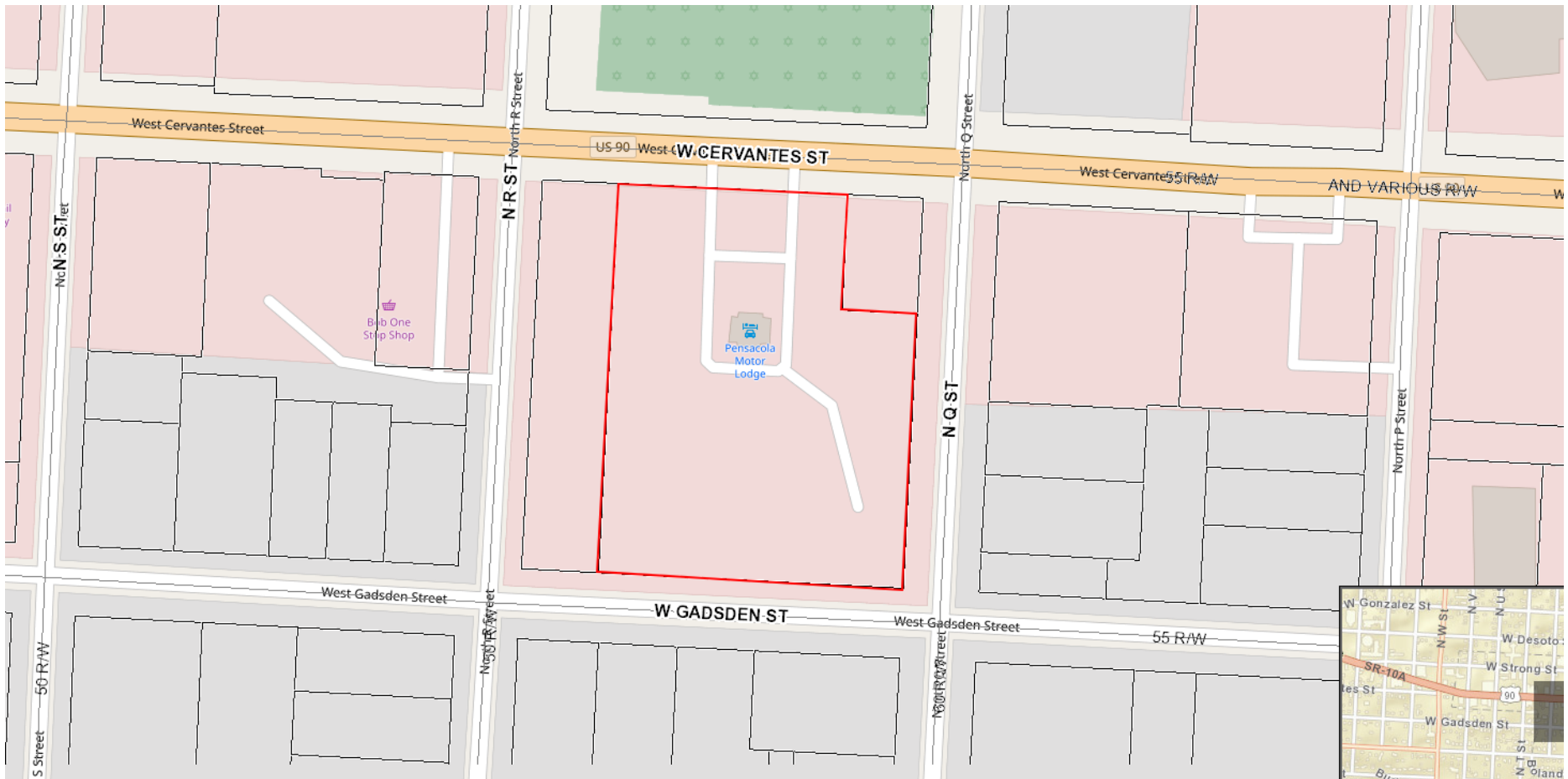
APPENDIX

- **Appendix A** Site Map
- **Appendix B** Site Survey
- **Appendix C** Property Condition Assessment
- **Appendix D** Environmental Assessments
- **Appendix E** Associated Land Development Regulations & Residential Density Bonuses, Land Development Green Building Certification, Height Bonus
- **Appendix F** Property Appraisal
- **Appendix G** Historic Images

Appendix A

Site Map

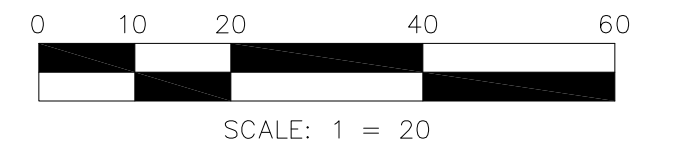
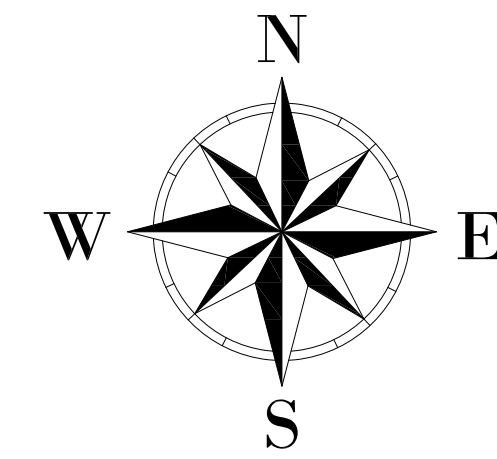
2305 West Cervantes Street



Appendix B

Site Survey

A PORTION OF BLOCK 173, WEST KING TRACT
SECTION 28, TOWNSHIP 2 SOUTH, RANGE 30 WEST
CITY OF PENSACOLA, ESCAMBIA COUNTY, FLORIDA



(BOOK 5709, PAGE 323)
ALL OF BLOCK 173 OF THE WEST KING TRACT, IN THE CITY OF
PENSACOLA, COUNTY OF ESCAMBIA, FLORIDA, ACCORDING TO MAP OF SAID
CITY, COPYRIGHTED BY THOMAS C. WATSON IN 1906, LESS AND EXCEPT
THE WEST 60 FEET THEREOF, AND LESS AND EXCEPT THE EAST 60 FEET
OF THE NORTH 90 FEET THEREOF.

ALL MEASUREMENTS MADE IN ACCORDANCE WITH THE UNITED STATES STANDARD AND RECORDED IN DECIMAL FOOT UNLESS OTHERWISE MARKED.

2. BASIS OF BEARING IS REFERENCED TO AN ASSUMED BEARING OF ?????????? ALONG THE BEST FIT LINE OF MONUMENTATION FOUND ALONG THE ????? SIDE OF????? STREET AS SHOWN.

3. REFERENCE SOURCE BEING EXISTING FIELD MONUMENTATION, RECORDED DOCUMENTS AND CITY ATLAS # 126.

4. LOCATION OF IMPROVEMENTS ARE SHOWN PER THE LAST FIELD DATE OF JULY 26, 2023.

5. ?????? TITLE SEARCH WAS PERFORMED NOR PROVIDED FOR THIS SURVEY.

6. THIS SURVEY DOES NOT REFLECT NOR DETERMINE OWNERSHIP.

7. NO UNDERGROUND IMPROVEMENTS HAVE BEEN LOCATED EXCEPT AS SHOWN.

8. THE SURVEY AS SHOWN HEREON IS CERTIFIED TO THE CITY OF PENSACOLA ONLY AND IN NO WAY TRANSFERS CERTIFICATION WITHOUT THE EXPRESS WRITTEN CONSENT OF SAID CITY.

9. FEDERAL AND STATE COPYRIGHT ACTS PROTECT THIS MAP FROM UNAUTHORIZED USE. THIS MAP IS NOT TO BE COPIED OR REPRODUCED IN WHOLE OR PART. THIS MAP CANNOT BE USED FOR THE BENEFIT OF ANY OTHER PERSON, COMPANY OR FIRM WITHOUT THE PRIOR WRITTEN CONSENT OF THE COPYRIGHT OWNER AND IS TO BE RETURNED UPON REQUEST.

10. IN ACCORDANCE WITH THE STATE OF FLORIDA ADMINISTRATIVE CODE, ANY ADDITIONS OR DELETIONS TO SURVEY MAPS OR REPORTS BY OTHER THAN THE SIGNING SURVEYOR AND MAPPER ARE PROHIBITED WITHOUT PRIOR WRITTEN CONSENT OF THE SIGNING SURVEYOR AND MAPPER.

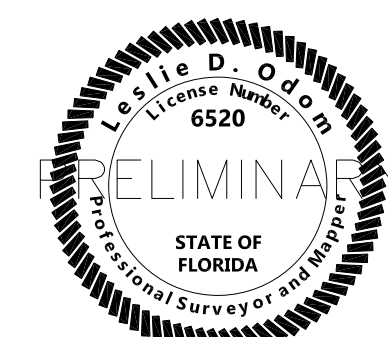
11. IT IS THE OPINION OF THE UNDERSIGNED SURVEYOR THAT THE PARCEL OF LAND SHOWN HEREON LOCATES IN ZONE "X" PER THE FLOOD INSURANCE RATE MAP NATIONAL FLOOD INSURANCE PROGRAM COMMUNITY NAME: CITY OF PENSACOLA, COMMUNITY NUMBER: 120082, PAPER NUMBER: 120330-0390-G DATED 9/29/2006

BK = BOOK
 CA = CITY ATLAS
 CIRF = CAPPED IRON ROD FOUND
 CIRRS = CAPPED IRON ROD SET PSM 6520
 CO = CLEAN OUT
 (D) = DEED INFORMATION
 EM = ELECTRIC METER
 (F) = FIELD MEASUREMENT
 GM = GAS METER
 IPF = IRON PIPE FOUND
 IRF = IRON ROD FOUND
 LB = LICENSED BUSINESS
 N&DS = NAIL & DISK SET PSM 6520
 (N) = NOW/TORN
 OHW = OVERHEAD WIRE
 O.R. = OFFICIAL RECORD
 (P) = PLAT OR MAP INFORMATION
 PG = PAGE
 PID = PARCEL IDENTIFICATION
 PP = POWER POLE
 PSM = PROFESSIONAL SURVEYOR & MAPPER
 R/W = RIGHT-OF-WAY
 TR = TREE
 WM = WATER METER
 WV = WATER VALVE

SURVEYOR'S CERTIFICATE
I HEREBY CERTIFY THAT THIS SURVEY WAS MADE UNDER MY RESPONSIBLE CHARGE AND COMPLIES WITH THE STANDARDS OF PRACTICE AS SET FORTH BY THE FLORIDA BOARD OF PROFESSIONAL LAND SURVEYORS & MAPPERS IN CHAPTERS 5J-17.050 THROUGH 5J-17.053 OF THE FLORIDA ADMINISTRATIVE CODE PURSUANT TO FLORIDA STATUTE SECTION 472.027.

PRELIMINARY

DATE _____



NOT VALID WITHOUT THE ORIGINAL
SIGNATURE AND SEAL OF A FLORIDA
LICENSED SURVEYOR AND MAPPER

DATE OF SURVEY:	8/22/2023
FIELD BOOK:	382
PAGE(S):	54-73
DRAWN BY:	LDO
CHECKED BY:	LDO
SHEET	1 OF 2

Appendix C
Property Condition Assessment

The property condition assessment conducted in 2023 of the former Pensacola Motor Lodge located at 2305 West Cervantes Street can be accessed via the following link:
<https://www.cityofpensacola.com/DocumentCenter/View/26228/Appendix-C---Property-Condition-Assessment-PDF>

Appendix D

Environmental Assessments

The environmental assessments conducted for the former Pensacola Motor Lodge located at 2305 West Cervantes Street can be accessed via the following links:

- **Phase 1 Environmental Assessment:**
<https://www.cityofpensacola.com/DocumentCenter/View/26230/Phase-I-ESA-PDF>

- **Phase 2 Environmental Assessment:**
<https://www.cityofpensacola.com/DocumentCenter/View/26231/Phase-II-ESA-PDF>

- **Asbestos Survey:**
<https://www.cityofpensacola.com/DocumentCenter/View/26229/Asbestos-Survey-PDF>

Appendix E

Associated Land Development Regulations & Residential Density Bonuses, Land
Development Green Building Certification, Height Bonus

➤ **DENSITY.** Maximum density of 35 du/acre.

○ **Density Bonuses** (up to 35%):

- Voluntary green building incentive (Sec. 14-2-296) – 25%

https://library.municode.com/fl/pensacola/codes/code_of_ordinances?nodeId=PTIICOOR_TITXIVBUCOFICO_CH14-2BUCOST_ARTXIIGRBUCE_S14-2-296VOGRBUIN

- Residential density bonuses (LDC Sec. 12-3-109) – Up to 35%.
The City may consider sponsoring density bonuses for affordable housing from its donor sites as described in LDC Sec. 12-3-109.

https://library.municode.com/fl/pensacola/codes/code_of_ordinances?nodeId=PTIICOOR_TITXIILADECO_CH12-3ZODI_ARTVIDEOP_S12-3-109REDEBO

➤ **BUILDING HEIGHT.** One hundred (100) to one hundred fifty (150) feet, depending on the form of the building (See [LDC Sec. 12-3-8](#), Table 12-3.7, Note 1). Ten (10) story maximum (Urban Design Overlay District - LDC Sec. 12-3-31).

- **Height Bonus:** In January 2024 the Pensacola City Council added a **height bonus** provision to the Land Development Code to allow height to reach up to 150 feet at the property or setback line for this site, subject to Planning Board review and approval. Final details on the height bonus regulation is listed below following the MGO section.

➤ **CRA URBAN DESIGN OVERLAY DISTRICT** (Form Standards – New Construction) – LDC Sec. 12-3-31

https://library.municode.com/fl/pensacola/codes/code_of_ordinances?nodeId=PTIICOOR_TITXIILADECO_CH12-3ZODI_ARTIISPAEREDI_S12-3-31COREARCRURDEOVDI

➤ **OTHER RELEVANT INFORMATION**

Expedited permitting for affordable housing.

<https://www.cityofpensacola.com/DocumentCenter/View/23263/Affordable-Housing-Expedited-Permitting-Policy-Website-Form>

Historic Building Demolition Review Ordinance- Sec. 12-11-5(5)

https://library.municode.com/fl/pensacola/codes/code_of_ordinances?nodeId=PTIICOOR_TITXIILADECO_CH12-11ADEN_S12-11-5BUPE

Tree/Landscape Regulations – Chapter 12-6:

https://library.municode.com/fl/pensacola/codes/code_of_ordinances?nodeId=PTIICOOR_TITXIILADECO_CH12-6TRLARE

Please note, Protected Trees are listed within Appendix A at the end of the Chapter.

Fee Schedule – Sec. 7-10:

https://library.municode.com/fl/pensacola/codes/code_of_ordinances?nodeId=PTIICOOR_TITVIILIBURE_CH7-10FE

NWFWMD (Northwest Florida Water Management District): Depending upon the extent of work initiated on the site, NWFWMD may need to be involved. The NWFWMD has stormwater requirements in addition to the City's requirements.
<https://nwfwater.com/>

ECUA, Commercial Customers: City suggests reaching out to Andre Calaminus in addition to reviewing the information provided on the ECUA site.
<https://ecua.fl.gov/services/commercial-customers>

Florida Department of Transportation (FDOT) Contact Information. Stacey McLeod, FDOT Permits Coordinator II, can be reached at 850-981-2824.

Florida SB 102, "Live Local Act". This supports provisions for the development of affordable housing.
<https://www.flsenate.gov/Session/Bill/2023/102/BillText/er/PDF>

Green Building Certification (Sec. 14-2-291)

https://library.municode.com/fl/pensacola/codes/code_of_ordinances?nodeId=PTIICOOR_TITXIVBUCOFICO_CH14-2BUCOST_ARTXIIGRBUCE

- **MY GOVERNMENT ONLINE (MGO).** The City's permitting process is completely online. You will need a minimum of three (3) permits for this project, beginning with the *Demolition Permit Application* and the *Engineering Construction Application (civil/site permit)*. Below you will find the link to the online portal as well as the City's informational webpage.

MGO Portal:

<https://www.mypermitnow.org/login.aspx?ReturnUrl=%2fdefault.aspx>

City's MGO webpage: <https://cityofpensacola.com/3037/My-Government-Online>

PROPOSED
ORDINANCE NO. 22-23

ORDINANCE NO. 1-24

AN ORDINANCE
TO BE ENTITLED:

AN ORDINANCE AMENDING SECTION 12-3-121 OF THE CODE OF THE CITY OF PENSACOLA, FLORIDA, DEVELOPMENT STANDARDS AND GUIDELINES, CREATING SECTION 12-3-121(D)(9), BUILDING HEIGHT BONUSES; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY OF PENSACOLA, FLORIDA:

SECTION 1. Section 12-3-121 of the Code of the City of Pensacola, Florida, is hereby amended to read as follows:

- (a) *Purpose.* The requirements set forth in this section are intended to coordinate land development in accordance with orderly physical patterns; to implement goals, objectives and policies of the comprehensive plan; to provide for adequate access to building sites for ingress and egress; to improve the physical appearance of the city; and to preserve the environmental character of the city.
- (b) *Applicability.* This section shall be applicable to all new construction, additions to existing structures or additional structures on a developed site. For the purposes of this section, the term "shall" indicates a regulatory requirement or standard, and the term "should" indicates a suggested guideline that is not considered a regulatory requirement.
- (c) *Design standards.* Except where specific approval is granted by the city engineer and planning services department due to unique and peculiar circumstances or needs resulting from the size, configuration or location of a site requiring a modification of the standards as set forth below, the minimum standards shall be as follows:
 - (1) *Streets and rights-of-way.* Whenever public or private streets, rights-of-way, pedestrian ways, bikeways or driveway approaches are to be constructed as part of any development after the effective date of this chapter, they shall be designed in accordance with the requirements of this subsection. Whenever existing public or private streets, rights-of-way, pedestrian ways, bikeways or driveway approaches abutting a development do not meet the requirements of this subsection, the city engineer may require that they be improved to conform to these requirements.
 - a. *Driveway approaches and curb cuts.*

1. *Width (residential except multifamily).* In properties developed for residential use (except multifamily), curb cuts and driveway approach shall conform to the following requirements:

	Minimum Driveway	Maximum Driveway
Driveway	12 feet	24 feet
Joint-use driveway	20 feet	24 feet

2. *Width (residential multifamily).* Properties developed for residential multifamily use shall have curb cuts for driveways not less than 24 feet wide and not more than 40 feet wide.
3. *Width (nonresidential).* Properties developed for commercial use shall have curb cuts for driveways not less than 12 feet nor more than 40 feet wide.
4. *Distance from drainage inlet.* No curb cut shall be made within three feet of a drainage inlet.
5. *Spacing.* Where more than one curb cut is to be located on any single property, the minimum distance between such curb cuts on local streets shall be 42 feet, and on all arterial and collector streets shall be in accordance with the requirements set forth in subsection (c)(2) of this section.
6. *Number and location on midblock properties.* Except where specific approval is granted as provided above, there shall be no more than two curb cuts for the use of any single property fronting any single local street, and no more than one curb cut for the use of any single property fronting on any single arterial or collector.
7. *Number and location on corner properties.* Where property is located on a corner lot fronting more than one street, not more than one curb cut for the benefit of such property shall be made on each street except where specific approval is granted as provided above. Corner safety islands shall be provided at all corners and no curb cuts or driveway shall be constructed or maintained on the radius of any curved curbing nor closer to the point of curvature than 15 feet on a local street and not within 30 feet on the point of curvature of an intersecting arterial or collector street.
8. *Sidewalk section.* All driveway approaches constructed in areas of the city with existing or required sidewalks shall contain a sidewalk section of the width and grade and minimum construction standards established by the city engineer for sidewalks in such areas.
9. *Pavers.* Any new pavers to be set in the City right-of-way shall be underlain with six (6) inches of concrete.
10. *Removal.* All existing driveways or aprons not being reused shall be removed from the site.
11. *Joint use driveways.* No curb cut for a driveway approach shall be made within one foot of the extended side property line of the property to be serviced by the driveway unless a joint-use driveway for the two adjoining properties shall be located on the common property line by written

agreement running with the land, recorded in the public records of the county and signed by all the owners of the adjoining property using the common driveway. The execution of the said agreement must be notarized. The city engineer shall be authorized to require the establishment of joint-use driveways in connection with the reduction of the driveway spacing requirements of subsection (c)(1)a.5 of this section and of subsection (c)(2) of this section.

12. *Authority to alter curb cuts.* Where the use, convenience and necessity of the public require, the city engineer shall have the authority to order the owners or agents in charge of property adjacent to which curb cuts are maintained, to alter the curb cut in such manner as he or she shall find reasonably necessary under the circumstances. The notice required by this section shall require compliance by permittee within 30 days of such notice; be in writing; and be served upon permittee as required by law.
 13. *Right-of-way construction.* Nothing shall be constructed in the city's right-of-way without first obtaining either a right-of-way permit or a License-to-Use permit (LTU). Any work done in the city's right-of-way must meet the specifications of the city engineer and the city's standard details. It is the responsibility of the individual to ensure that they have the most recent city standard detail.
 14. *Duty to repair and replace.* Any existing curb or sidewalk, along the frontage of a parcel, which was damaged before or during construction shall be the responsibility of the property owner to repair or replace during construction.
- b. *Vehicular access for multifamily, office, commercial or industrial developments.* Direct or indirect vehicular access to local residential streets shall not be permitted, other than from corner lots, for the uses described above when adequate access is available from either collector or arterial streets.
 - c. *Dedication of streets and rights-of-way.* No site plan shall be approved unless it is accompanied by a dedication of all streets and rights-of-way that are required to be dedicated under this section. The exception to this is private streets, which shall be provided for by the developer in accordance with the requirements of section 12-3-61. Any land lying within a proposed development that is necessary to widen or extend local streets, arterials or collectors as required to meet city standards shall be dedicated.
 - d. *Street improvements.* All streets and public ways shall be paved and curbed in accordance with standards established by the city engineer and the following requirements:
 1. *Additional improvements for existing thoroughfares.* Where any existing arterial or collector lying within or abutting a proposed development requires construction of additional lanes or other improvements to meet the standards of the city engineer, the amount of construction required (or money escrowed) for such improvements shall be commensurate with the impact of the proposed development.

2. *Missing arterial or collector links.* Where there are missing segments in the arterial or collector system or new arterials or collectors are to be constructed that are designated in the comprehensive plan, such segments lying within or abutting the proposed development shall be improved (or money escrowed in an appropriate manner) by the developer along with other required improvements. Where such construction creates an undue hardship in a particular case, appeals are available in accordance with chapter 12-12.
 3. *Traffic control devices.* Intersection improvements and traffic control devices such as acceleration, deceleration, and turning lanes, signalization devices, and other traffic control devices required by the development shall be installed at the developer's expense in accordance with the State of Florida Manual for Uniform Traffic Control Devices.
 4. *Improvements required to nearest acceptable paved public street.* Each development shall abut, or have as its primary access, a street improved to the minimum requirements of the city engineer. Wherever the abutting street does not meet these requirements, the developer shall construct the street where it abuts the development and to the nearest structurally acceptable paved public street as determined by the city engineer.
 5. *Street cut and patch.* The cut and patch of city streets shall comply with the city standard cut and patch detail. Should there be multiple adjacent patches, the entire road (width and length) shall be milled and overlaid in accordance with the city standard cut and patch detail. The contractor shall provide density testing results from a certified geotechnical laboratory for each cut and patch inspection prior to final approval.
- e. *Sidewalks.* For any new nonresidential, commercial, and industrial developments, all street frontages are required to have five feet (minimum) wide sidewalks with handicap ramps in the right-of-way adjacent to the proposed project. Proposed sidewalks shall be designed and constructed in accordance with the Florida Accessibility Code, City Standards, and any other state laws applicable to sidewalk design and construction. In addition, the physical location of the proposed sidewalks shall be depicted on the site plans submitted to the city.
- (2) *Driveway and curb cut design along arterial and collector streets.* Recognizing that the traffic movement function of arterial and collector streets can be compromised by the provision of unlimited access to individual properties. Whenever any building site will require vehicular access from an arterial or collector street as designated on the city's adopted Future Traffic Circulation Map, the development shall be designed in accordance with the requirements of this subsection.
- a. *Driveways and curb cuts.* In addition to any applicable driveway approach and curb cut requirements of subsection (c)(1) of this section, the following standards shall apply:

1. *Curb cut spacing.* The minimum distance between curb cuts on any one block face, whether or not such curb cuts are located on the same property, shall be based upon the posted speed of the thoroughfare, in accordance with the following schedule:

Posted Speed	Minimum Spacing
30 mph	125 ft.
30 mph	125 ft.
30 mph	125 ft.
45 mph	200 ft.
50+ mph	200 ft.

2. *Spacing reductions and joint-use driveways.* Where the existing configuration of properties and curb cuts in the vicinity of the building site precludes spacing of a curb cut access in accordance with the schedule above, the city engineer shall be authorized to reduce the spacing requirement if he or she finds that all of the following conditions have been met: wherever feasible, the city engineer shall require the establishment of a joint-use driveway serving two abutting building sites, with cross-access easements provided; the property owner shall agree to close and eliminate any pre-existing curb cuts on the building site after the construction of both sides of the joint-use driveway; and where feasible, the building site shall incorporate unified access and circulation in accordance with the requirements of subsection (c)(2)a.3 of this section.
 3. *Unified access and circulation.* The planning services director, in coordination with the city engineer, shall be authorized to designate cross-access corridors on properties adjacent to arterial or collector streets. Such designation may be made in connection with the approval of any site plan within the affected area, or as part of an overall planning program. The planning services director, in coordination with the city engineer, shall be authorized to modify the requirements of this subsection where he or she finds that abutting properties have been so developed that it is clearly impractical to create a unified access and circulation system within part or all of the affected area.
- (3) *Public facilities.* All developments shall be provided with sufficient utility easements including potable water, sanitary sewer, electric power and light, telephone, natural gas, cable television, and any other franchised utilities, including access for maintenance. Sufficient easements shall be provided for stormwater management facilities, including access for maintenance. All public and private street networks and parking lots shall be designed to allow easy access for solid waste disposal and emergency service vehicles. In addition to new development, any remodeling, enlargement, reconstruction or redesign of

any existing building site for specific uses and within the gateway redevelopment district and the resource protection overlay districts shall require submittal of a drainage plan to ensure that stormwater management requirements are met pursuant to chapter 12-8.

- (4) *Private recreation and open space facilities for multifamily residential developments.* Multifamily residential developments, with the exception of those located within the boundaries of the city's dense business area, are required to reserve five percent of the total lot area for recreation and open space facilities. This land area requirement shall be provided in addition to the 20 percent landscaping area requirement established in section 12-6-4. In the event a buffer yard is required between the multifamily development and an adjacent single-family land use or zoning district, the buffer yard land area requirements may be credited toward the recreation/open space land area requirement.
- (5) *Solid waste disposal facilities for multifamily residential, nonresidential, office, commercial or industrial developments.*
 - a. Dumpsters, centralized garbage storage areas, compactors and similar solid waste disposal facilities associated with the land uses described above shall not be allowed any closer than ten feet to either the property line or zoning district boundary line of a single-family or duplex residential development or zoning district.
 - b. Solid waste disposal facilities shall not be located within public street rights-of-way of arterial or collector streets in any zoning district, and they shall not be located within local street rights-of-way in mixed residential/office, residential/commercial or redevelopment zoning districts without the mayor's approval.
 - c. Solid waste facilities must be screened from adjoining property and from public view.
- (6) *Mechanical equipment.* Mechanical equipment for multifamily residential, nonresidential, office, commercial or industrial developments shall not be allowed any closer than ten feet to either the property line or zoning district boundary line of a single-family or duplex residential development or zoning district; and shall be screened from adjoining property and from public view. Roof-mounted electrical, mechanical, air conditioning and communications equipment shall be completely screened from adjacent properties and public view from the public right-of-way. The equipment screening shall be such that the equipment is not visible within a 200-foot radius. The radius shall be measured from the exterior side of the screen to a point ten feet above finished grade.
- (7) *Parking.*
 - a. The city discourages construction of more than the minimum number of parking spaces required by this title, in order that more natural vegetation may be preserved and in order to control stormwater runoff in a more natural manner. Parking in excess of more than ten spaces or ten percent (whichever

is greater) above the parking total dictated by chapter 12-4 will require an administrative waiver as described in this subsection (c).

- b. The use of permeable paving materials is encouraged for use in parking lots, especially for "overflow" parking or parking spaces in excess of the requirements of this title.

Site design should minimize the impact of automobile parking and driveways on the pedestrian environment, adjacent properties and pedestrian safety.

- c. The following are some examples of techniques used to minimize the impacts of driveways and parking lots:

1. Locate surface parking at the rear or side of the zoning lot.
2. Break large parking lots into multiple smaller ones.
3. Minimize the number and width of driveways and curb cuts.
4. Share driveways with abutting zoning lots.
5. Locate parking in less visible areas of the site.
6. Locate driveways so they are visually less dominant.
7. Provide special pavers or other surface treatments to enhance and separate pedestrian areas from vehicle maneuvering and parking areas.
8. Parking located along a commercial street front where pedestrian traffic is desirable lessens the attractiveness of the area to pedestrians and compromises the safety of pedestrians along the street. On-site surface parking on a commercial street front should be minimized and where possible should be located behind a building.

- (8) *Building facade finish.* Metal curtain walls shall be limited to a maximum of 30 percent per elevation of a building in the R-2 and R-NC districts, 40 percent per elevation in the remaining commercial districts (with the exception of historic and special aesthetic districts which have their own guidelines for review), and 75 percent per elevation of a building in industrial districts. The remaining percentage of each facade elevation shall have a finish treatment. Planning board may grant requests to exceed this maximum standard on a case-by-case basis with consideration being given to developments that incorporate design guidelines suggested in this section and exhibit superior site design.

- (9) *Nonresidential site lighting.* Nonresidential and multiple-family developments shall be designed to provide safe and efficient lighting for pedestrians and vehicles. Lighting shall be designed in a consistent and coordinated manner for the entire site (including outparcels). Lighting shall be designed so as to enhance the visual impact of the project and/or should be designed to blend into the surrounding landscape. Lighting design and installation shall ensure that lighting accomplishes on-site lighting needs without intrusion on adjacent properties and shall meet the following design requirements:

- a. *Fixture (luminaire).* When feasible, the light source shall be completely concealed within an opaque housing and shall not be visible from any street right-of-way or adjacent properties.

- b. *Light source (lamp).* Only florescent, LED, metal halide, or color corrected high-pressure sodium may be used. The same light source type must be used for the same or similar types of lighting on any one site throughout any development.
 - c. *Mounting.* Fixtures shall be mounted in such a manner that the maximum candela from each fixture is contained on-site and does not cross any property line of the site.
 - d. *Limit lighting to periods of activity.* The use of controls such as, but not limited to, photocells, occupancy sensors or timers to activate lighting during times when it will be needed may be required by the planning services department to conserve energy, provide safety, and promote compatibility between different land uses.
 - e. *Illumination levels.*
 - 1. All site lighting levels shall be designed per the most recent IESNA (Illumination Engineering Society of North America) recommended standards and guidelines.
 - 2. Minimum and maximum levels are measured on the pavement within the lighted area. Average level is the overall, generalized ambient light level, and is measured as a not-to-exceed value calculated using only the area of the site intended to receive illumination.
 - 3. Lighting for automated teller machines shall be required to meet the standards of F.S. § 655.962.
 - f. *Excessive illumination.*
 - 1. Lighting unnecessarily illuminates another lot if it clearly exceeds the requirements of this section.
 - 2. All outdoor lighting shall be designed and located such that the maximum illumination measured in footcandles at the property line does not exceed 0.2 on adjacent residential sites, and 0.5 on adjacent commercial sites and public rights-of-way. These values may be adjusted based on unique and/or unusual needs of specific projects.
 - 3. Lighting shall not be oriented so as to direct glare or excessive illumination onto streets in a manner that may distract or interfere with the vision of drivers on such streets.
 - 4. Fixtures used to accent architectural features, landscaping or art shall be located, aimed or shielded to minimize light spill into the night sky.
 - 5. Reflectors and/or refractors within fixtures or fixtures with a top shield shall be utilized to assist in eliminating "sky glow."
- (d) *Design guidelines.* Most development in the city is located on infill or redevelopment sites; therefore, projects should take their surroundings into account. These recommended design guidelines are intended as suggested methods to improve the character and fit of new development and to encourage respect for how architecture, landscape features, and public improvements help establish context, and steadily improve the quality of the city's residential and commercial neighborhoods. These guidelines are intended for designers and developers to look closely at the area surrounding their specific project and create

developments that enhance and complement the built and natural environment. The design guidelines are flexible in their application and may be applied to specific projects during review by city staff and any applicable review boards. The intent is to create the highest level of design quality while providing the needed flexibility for creative site design. Use of the following design guidelines is a means for addressing aesthetic and environmental concerns in the development process:

(1) Site planning.

- a. The construction of roads across isolated wetlands shall be limited, and any roads that are built should be constructed on pilings or with adequate culverts to allow the passage of flood waters.
- b. Runoff shall not be discharged directly into open waters. Vegetated buffers, swales, vegetated watercourses, wetlands, underground drains, catch basins, ponds, porous pavements and similar systems for the detention, retention, treatment and percolation of runoff should be used as appropriate to increase time of concentration, decrease velocity, increase infiltration, allow suspended solids to settle and remove pollutants.
- c. Natural watercourses shall not be filled, dredged, cleared, deepened, widened, straightened, stabilized or otherwise altered.
- d. The use of drainage facilities and vegetated buffer zones as open space, recreation and conservation areas is encouraged.

(2) Building design and architectural elements. The placement of buildings should respond to specific site conditions and opportunities such as irregular-shaped lots, location on prominent intersections, views, or other natural features. On-site surface parking should be visually minimized and where possible should be located behind a building. Site characteristics to consider in building design include, but are not limited to, the following:

- a. Site buildings to avoid or lessen the impact of development on environmentally sensitive and critical areas such as wetlands, stream corridors, fragile vegetation and wildlife areas, etc.
- b. The design and placement of a structure and its massing on the site should enhance solar exposure for the project and consider the shadow impacts on adjacent buildings and public areas.
- c. The placement of buildings and other development features should enable the preservation of significant or important trees or other vegetation.
- d. Where a new structure shares a site with an existing structure, or a major addition to an existing structure is proposed, the design of the new should be designed to be compatible with the original structure. This is particularly important if the original structure has historical or architectural merit to the community.
- e. The placement and massing of a building should preserve desirable public views that would otherwise be blocked by the new development.
- f. The placement and orientation of buildings should acknowledge and reinforce the existing desirable spatial characteristics of the public right-of-way. For example, a multi-story mixed-use building proposed for a downtown corner zoning lot should reinforce the existing streetscape by utilizing the ground

- level for pedestrian oriented retail and restaurants and maintaining a consistent building edge abutting the sidewalk.
- g. Building entrances should be clearly visible from the street. Using entries that are visible from the street makes a project more approachable and creates a sense of association with neighboring structures.
 - h. New development should be sited and designed to encourage human activity on the street. To accomplish this end, entrances, porches, balconies, decks, seating and other elements can be designed to promote use of the street front and provide places for human interaction. For example, for commercial developments such elements can include shop front windows, outdoor seating/dining, rooftop decks, balconies, and canopies that protect pedestrians from the elements.
 - i. Development projects that are adjacent to a less-intensive zoning district with differing development standards, may create substantial adverse impacts that result from inappropriate height, bulk and scale relative to their neighbors. Careful siting and design treatments can help mitigate some height, bulk and scale impacts; in other cases, actual reduction in the height, bulk and scale of a project are advisable to adequately mitigate adverse effects. In some instances, careful siting and design treatment may be sufficient to achieve reasonable transition and mitigation of height, bulk and scale differences. Some techniques for achieving compatibility are:
 - 1. Use of architectural style, details (such as rooflines or fenestration), exterior colors or materials that derive from the less intensive zone district.
 - 2. Creative use of landscaping or other screening.
 - 3. Location of features on-site to facilitate transition, such as locating required open space on the zone district edge so the building is located farther from the lesser intensity zone district.
 - 4. In a mixed-use project, siting the more compatible uses near the zone district edge.
 - j. The exterior architectural elements of buildings and structures (i.e., components which define the appearance of a building, such as roofs, windows, porches, modulations, entries, materials, balconies and details). New buildings developed in an established neighborhood with an identifiable character may be viewed as undesirable intrusions unless they respond positively to the architectural characteristic of existing buildings. Therefore, guidelines for architectural elements encourage new development in established neighborhoods to complement neighboring buildings and consider how design gives a neighborhood its identity. This does not mean that new buildings must excessively mimic older existing buildings. Rather, the guidelines suggest that new buildings use some traditional building concepts or elements. New buildings can successfully relate to older buildings while still looking contemporary, not stifling the designer's creativity and responding to changing societal needs and design opportunities.
 - k. Architectural context. New buildings proposed for existing neighborhoods with a well-defined and desirable character should be compatible with or

complement the architectural character and siting pattern of neighboring buildings.

1. Architectural features. Taking note of the architectural characteristics of surrounding buildings can help new buildings be compatible with their neighbors when a consistent pattern is already established by similar building articulation; building scale and proportions; architectural styles; roof forms, building details and fenestration patterns; or materials. Even when there is no consistent architectural pattern, building design and massing can be used to complement and enhance certain physical conditions of existing surrounding development.
 2. In cases where an existing context is either not well defined, or may be undesirable, a well-designed new project has the opportunity to establish a pattern or identity that future redevelopment can build on.
- (3) Human scale. The design of new buildings should incorporate architectural features, elements and details that achieve a desirable human scale through the use of human-proportioned architectural features and site design elements clearly oriented to human activity. Building elements that may be used to achieve human scale are as follows:
- a. Pedestrian-oriented storefront windows and doors directly facing the street or publicly accessible open space such as courtyards, gardens, patios, or other unified landscaped areas.
 - b. Window patterns, building articulation and other exterior treatments that help identify individual units in a multifamily building or mixed-use building.
 - c. Stepping back upper stories (generally above the third or fourth floor).
 - d. Porches or covered entries that offer pedestrian weather protection such as canopies, awnings, arcades, or other similar elements wide enough to protect at least one person.
- (4) Structured parking garages.
- a. The presence and appearance of structured parking garages and their entrances should be minimized so they do not dominate the street frontage. Ramps should be visually screened from streets and adjacent residential zoning districts and oriented towards the interior of the lot within a project where possible. Ramps profiles should be hidden on the exterior elevations. Roof top parking should be visually screened with articulated parapet walls or other architectural treatment. Exterior lighting should utilize fixtures provided with cut off shielding in order to eliminate glare and spillage onto adjacent properties and roadways. The openings of the garage should be designed in a manner that obscures parked vehicles. Decorative architectural elements on the ground floor level should be designed to accommodate the pedestrian scale. Parking levels above the ground floor should maintain the same vertical and horizontal articulation or rhythm and incremental appearance established on the ground floor.
 - b. Due to the requirements of a particular land use or structural needs, parking garages or the garage portion of the building may request an increase from

the building frontage requirements (to a maximum of 100 percent for all floors) or a waiver from the setback requirements for portions of the structure subject to the following: The garage or garage portion of the building elevation provides unified design elements with the main building through the use of similar materials and color, vertical and horizontal elements, and architectural style.

- c. Architectural features should be incorporated into the facade to mitigate the building's mass and bulk and along portions of the building adjacent to street rights-of-way.
- (5) Rooftop mechanical equipment. All rooftop mechanical equipment should be screened from public view from both above and below by integrating it into building and roof design.
 - (6) Blank walls. Buildings should avoid large blank walls facing the street, especially near sidewalks. Where blank walls are unavoidable, due to the requirements of a particular land use or structural needs, they shall not exceed a length of 50 feet, or 20 percent of the length of the building facing the street, whichever is less, and should receive design treatment to increase pedestrian comfort and interest.
 - (7) Utilities and service areas. Building sites should locate service elements like trash dumpsters, loading docks and mechanical equipment away from the street front wherever possible. When elements such as dumpsters, utility meters, mechanical units and service areas cannot be located away from the street front, they should be situated and screened from view and should not be located near pedestrian routes.
 - (8) All telephones, vending machines, or any facilities dispensing merchandise, or a service on private property, should be confined to a space built into the building or buildings or enclosed in a separate structure compatible with the main building. All exterior forms, attached or not to buildings should be in conformity to and secondary to the building. They should be an asset to the aesthetics of the site and to the neighborhood.
 - (9) Building height bonuses. Building height bonuses above the limit otherwise established by a zoning district may be approved, so long as the overall height of the building does not exceed 150 feet, in exchange for the construction of affordable housing or as an incentive to achieve superior building and site design, preserve environmentally sensitive lands and open space, or provide public benefit uses. Standards for approval shall be as follows:
 - a. Building height bonuses for superior building and site design, preservation of environmentally sensitive lands and open space, or provision of public benefit uses shall be based upon clear and convincing evidence that the proposed design will result in a superior product that is compatible with the surrounding land uses and produce a more desirable product than the same development without the bonus: and shall be in accordance with section 12-3-121(9)(c).

b. Building height bonuses for the provision of affordable housing shall be based upon ratios of the amount of affordable housing to market rate housing within a proposed residential development; provided, however, that this bonus is contingent upon approval by the City Council of a development agreement that includes mechanisms to assure that the units remain affordable for a minimum of ten years as well as provisions such as resale and rental restrictions and rights of first refusal as appropriate considering the project and shall be in accordance with section 12-3-121(9)(c).

c. All height bonus applications shall be submitted for review and approval by the City Planning Board- and shall be subject to the following review criteria:

1. The construction of roads across isolated wetlands shall be limited, and any roads that are built shall be constructed on pilings or with adequate culverts to allow the passage of flood waters.
2. Runoff shall not be discharged directly into open waters. Vegetated buffers, swales, vegetated watercourses, wetlands, underground drains, catch basins, ponds, porous pavements and similar systems for the detention, retention, treatment and percolation of runoff shall be used as appropriate to increase time of concentration, decrease velocity, increase infiltration, allow suspended solids to settle and remove pollutants.
3. Natural watercourses shall not be filled, dredged, cleared, deepened, widened, straightened, stabilized or otherwise altered.
4. Drainage facilities and vegetated buffer zones shall be used as open space, recreation or conservation areas.
5. Buildings shall be sited to avoid or lessen the impact of development on environmentally sensitive and critical areas such as wetlands, stream corridors, fragile vegetation and wildlife areas, etc.
6. The design and placement of a structure and its massing on the site shall enhance solar exposure for the project and shall consider the shadow impacts on adjacent buildings and public areas.
7. The placement of buildings and other development features shall enable the preservation of significant or important trees or other vegetation.
8. Where a new structure shares a site with an existing structure, or a major addition to an existing structure is proposed, the design of the new shall be designed to be compatible with the original structure. This is particularly important if the original structure has historical or architectural merit to the community.
9. The placement and massing of a building shall preserve desirable public views that would otherwise be blocked by the new development.
10. The placement and orientation of buildings shall acknowledge and reinforce the existing desirable spatial characteristics of the public right-of-way. For example, a multi-story mixed-use building proposed for a downtown corner zoning lot shall reinforce the existing streetscape by utilizing the ground level for pedestrian oriented retail and restaurants and maintaining a consistent building edge abutting the sidewalk.

11. Building entrances shall be clearly visible from the street. Using entries that are visible from the street makes a project more approachable and creates a sense of association with neighboring structures.
12. New development shall be sited and designed to encourage human activity on the street. To accomplish this end, entrances, porches, balconies, decks, seating and other elements shall be designed to promote use of the street front and provide places for human interaction. For example, for commercial developments such elements can include shop front windows, outdoor seating/dining, rooftop decks, balconies, and canopies that protect pedestrians from the elements
13. Development projects that are adjacent to a less-intensive zoning district with differing development standards, may create substantial adverse impacts that result from inappropriate height, bulk and scale relative to their neighbors. Careful siting and design treatments shall help mitigate some height, bulk and scale impacts; in other cases, actual reduction in the height, bulk and scale of a project may be required to adequately mitigate adverse effects. In some instances, careful siting and design treatment may be sufficient to achieve reasonable transition and mitigation of height, bulk and scale differences. Some techniques for achieving compatibility are:
 1. Use of architectural style, details (such as rooflines or fenestration), exterior colors or materials that derive from the less intensive zone district.
 2. Creative use of landscaping or other screening.
 3. Location of features on-site to facilitate transition, such as locating required open space on the zone district edge so the building is located farther from the lesser intensity zone district.
 4. In a mixed-use project, siting the more compatible uses near the zone district edge.
14. The exterior architectural elements of buildings and structures (i.e., components which define the appearance of a building, such as roofs, windows, porches, modulations, entries, materials, balconies and details). New buildings developed in an established neighborhood with an identifiable character may be viewed as undesirable intrusions unless they respond positively to the architectural characteristic of existing buildings. Therefore, guidelines for architectural elements shall encourage new development in established neighborhoods to complement neighboring buildings and shall consider how design gives a neighborhood its identity. This does not mean that new buildings must excessively mimic older existing buildings. Rather, the guidelines shall require that new buildings use some traditional building concepts or elements. New buildings can successfully relate to older buildings while still looking contemporary, not stifling the designer's creativity and responding to changing societal needs and design opportunities.

15. Architectural context. New buildings proposed for existing neighborhoods with a well-defined and desirable character shall be compatible with or complement the architectural character and siting pattern of neighboring buildings.
16. The design of new buildings shall incorporate pedestrian-oriented storefront windows and doors directly facing the street or publicly accessible open space such as courtyards, gardens, patios, or other unified landscaped areas.
17. The design of new buildings shall incorporate window patterns, building articulation and other exterior treatments that help identify individual units in a multifamily building or mixed-use building.
18. The design of new buildings shall incorporate stepping back upper stories (generally above the third or fourth floor).
19. The design of new buildings shall incorporate porches or covered entries that offer pedestrian weather protection such as canopies, awnings, arcades, or other similar elements wide enough to protect at least one person.
20. The presence and appearance of structured parking garages and their entrances shall be minimized so they do not dominate the street frontage. Ramps shall be visually screened from streets and adjacent residential zoning districts and oriented towards the interior of the lot within a project where possible. Ramps profiles shall be hidden on the exterior elevations. Roof top parking shall be visually screened with articulated parapet walls or other architectural treatment. Exterior lighting shall utilize fixtures provided with cut off shielding in order to eliminate glare and spillage onto adjacent properties and roadways. The openings of the garage shall be designed in a manner that obscures parked vehicles. Decorative architectural elements on the ground floor level shall be designed to accommodate the pedestrian scale. Parking levels above the ground floor shall maintain the same vertical and horizontal articulation or rhythm and incremental appearance established on the ground floor.
21. Due to the requirements of a particular land use or structural needs, parking garages or the garage portion of the building may request an increase from the building frontage requirements (to a maximum of 100 percent for all floors) or a waiver from the setback requirements for portions of the structure subject to the following: The garage or garage portion of the building elevation provides unified design elements with the main building through the use of similar materials and color, vertical and horizontal elements, and architectural style.
22. Architectural features shall be incorporated into the facade to mitigate the building's mass and bulk and along portions of the building adjacent to street rights-of-way.
23. Rooftop mechanical equipment. All rooftop mechanical equipment shall be screened from public view from both above and below by integrating it into building and roof design.

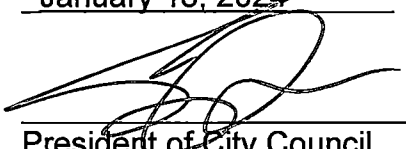
24. Blank walls. Buildings shall avoid large blank walls facing the street, especially near sidewalks. Where blank walls are unavoidable, due to the requirements of a particular land use or structural needs, they shall not exceed a length of 50 feet, or 20 percent of the length of the building facing the street, whichever is less, and shall receive design treatment to increase pedestrian comfort and interest.
25. Utilities and service areas. Building sites shall locate service elements like trash dumpsters, loading docks and mechanical equipment away from the street front. When elements such as dumpsters, utility meters, mechanical units and service areas cannot be located away from the street front, they shall be situated and screened from view and should not be located near pedestrian routes.
26. All telephones, vending machines, or any facilities dispensing merchandise, or a service on private property, shall be confined to a space built into the building or buildings or enclosed in a separate structure compatible with the main building. All exterior forms, attached or not to buildings should be in conformity to and secondary to the building. They shall be an asset to the aesthetics of the site and to the neighborhood.

SECTION 2. If any word, phrase, clause, paragraph, section or provision of this ordinance or the application thereof to any person or circumstance is held invalid or unconstitutional, such finding shall not affect the other provision or applications of the ordinance which can be given effect without the invalid or unconstitutional provisions or application, and to this end the provisions of this ordinance are declared severable.

SECTION 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 4. This ordinance shall take effect on the fifth business day after adoption, unless otherwise provided, pursuant to Section 4.03(d) of the City Charter of the City of Pensacola.

Adopted: January 18, 2024

Approved: 
President of City Council

Attest:


City Clerk



Business Impact Estimate

This form should be included in agenda packet for the item under which the proposed ordinance is to be considered, and must be posted on the City's website by the time notice of the proposed ordinance is published.

Proposed ordinance's title/reference: Building Height Bonuses

The City is of the view that the exception(s) to the Business Impact Estimate requirement that are checked off in a box below apply to the above-referenced proposed ordinance, although the City is implementing the procedure required by statutory law to ensure that no inadvertent procedural issue could impact the enactment of the proposed ordinance.

- ☐ The proposed ordinance is required for compliance with Federal or State law or regulation;
- ☐ The proposed ordinance relates to the issuance or refinancing of debt;
- ☐ The proposed ordinance relates to the adoption of budgets or budget amendments, including revenue sources necessary to fund the budget;
- ☐ The proposed ordinance is required to implement a contract or an agreement, including, but not limited to, any Federal, State, local, or private grant, or other financial assistance accepted by the
- ☐ The proposed ordinance is an emergency ordinance;
- ☐ The ordinance relates to procurement; or
- ☒ The proposed ordinance is enacted to implement the following:
 - a. Part II of Chapter 163, *Florida Statutes*, relating to growth policy, county and municipal planning, and land development regulation, including zoning, development orders, development agreements and development permits;
 - b. Sections 190.005 and 190.046, *Florida Statutes*, regarding community development districts;
 - c. Section 553.73, *Florida Statutes*, relating to the *Florida Building Code*; or
 - d. Section 633.202, *Florida Statutes*, relating to the *Florida Fire Prevention Code*.

In accordance with the provisions of controlling law, even notwithstanding the fact that, an exemption noted above may apply, the City hereby publishes the following information:

1. Summary of the proposed ordinance (must include statement of the public purpose, such as serving the public health, safety, morals, and welfare):

Building height bonuses. Building height bonuses above the limit otherwise established by a zoning district may be approved, so long as the overall height of the building does not exceed 150 feet, in exchange for the construction of affordable housing and/or as an incentive to achieve superior building and site design, preserve environmentally sensitive lands and open space, and/or provide public benefit uses. Standards for approval shall be as follows and in accordance with design guidelines of section 12-3-121(d):

a. Building height bonuses for superior building and site design, preservation of environmentally sensitive lands and open space, and/or provision of public benefit uses shall be based upon clear and convincing evidence that the proposed design will result in a superior product that is compatible with the surrounding land uses and produce a more desirable product than the same development without the bonus.

b. Building height bonuses for the provision of affordable housing shall be based upon ratios of the amount of affordable housing to market rate housing within a proposed residential development and shall include mechanisms to assure that the units remain affordable for a reasonable timeframe such as resale and rental restrictions and rights of first refusal.

c. All height bonus applications shall be submitted for review and approval by the City Planning Board.

2. Estimate of direct economic impact of the proposed ordinance on private, for-profit businesses in the City: N/A

3. Estimate of direct compliance costs that businesses may reasonably incur: N/A

4. Any new charge or fee imposed by the proposed ordinance: N/A

5. Estimate of the City's regulatory costs, including estimated revenues from any new charges or fees to cover such costs: N/A

6. Good faith estimate of the number of businesses likely to be impacted by the proposed ordinance: N/A

7. Additional information (if any, but may wish to include the methodology used to derive information for #1 and #2, above. For example: City staff solicited comments from businesses in the City as to the potential impact of the proposed ordinance by contacting the chamber of commerce, social media posting, direct mail or direct email, posting on City website, public workshop, etc. You may also wish to include efforts made to reduce the potential fiscal impact on businesses based on feedback from businesses. You may also wish to state here that the proposed ordinance is a generally applicable ordinance that applies to all persons similarly situated (individuals as well as businesses) and, therefore, the proposed ordinance does not impose costs only upon businesses.):

The building height bonuses are **optional** and if adopted would incentivize superior site design and affordable housing. Therefore, the proposed ordinance would not have an adverse economic impact on a private, for-private business in the city.

PROOF OF PUBLICATION

Robyn Tice
222 West Main Street
Pensacola FL 32502

STATE OF WISCONSIN, COUNTY OF BROWN

Before the undersigned authority personally appeared, who on oath says that he or she is the Legal Advertising Representative of the Pensacola News Journal, a newspaper published in Escambia County, Florida; that the attached copy of advertisement, being a Legal Ad in the matter of Govt Public Notices, was published on the publicly accessible website of Escambia County, Florida, or in a newspaper by print in the issues of, on:

01/08/2024

Affiant further says that the website or newspaper complies with all legal requirements for publication in chapter 50, Florida Statutes.

Subscribed and sworn to before me, by the legal clerk, who is personally known to me, on 01/08/2024

Legal Clerk

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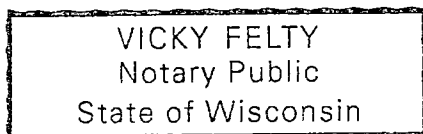
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NOTICE OF PROPOSED ORDINANCES

Please be advised that Proposed Ordinance Nos. 22-23, 23-23, 24-23 and 26-23 were presented to the City Council of the City of Pensacola for first reading on Thursday, December 14, 2023, and will be presented for final reading and adoption on Thursday, January 18, 2024, at 5:30 p.m., in Council Chambers on the First Floor of City Hall, 222 West Main Street, Pensacola, Florida. The title(s) of the proposed ordinance(s) are as follows:

P.O. #22-23:

AN ORDINANCE AMENDING SECTION 12-3-121 OF THE CODE OF THE CITY OF PENSACOLA, FLORIDA, DEVELOPMENT STANDARDS AND GUIDELINES, CREATING SECTION 12-3-121(D)(9), BUILDING HEIGHT BONUSES; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; PROVIDING AN EFFECTIVE DATE.

P.O. #23-23:

AN ORDINANCE CREATING SECTION 11-2-11, 11-2-12, 11-2-13, 11-2-14, 11-2-15, 11-2-16, 11-2-17, 11-2-18, 11-2-19, OF THE CODE OF THE CITY OF PENSACOLA, FLORIDA; PROVIDING FOR A TRAFFIC INFRACTION DETECTION PROGRAM IN ACCORDANCE WITH FLORIDA STATUTES; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

P.O. #24-23:

AN ORDINANCE CREATING SECTION 11-4-4, SECTION 11-4-5, AND SECTION 11-4-6 OF THE CODE OF THE CITY OF PENSACOLA, FLORIDA DANGEROUS USE OF PUBLIC RIGHTS OF WAY; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

P.O. #26-23:

AN ORDINANCE CREATING CHAPTER 7-13 OF THE CODE OF THE CITY OF PENSACOLA, FLORIDA, RELATED TO THE REGULATION OF BUSINESSES ENGAGED IN PRUNING AND REMOVING TREES; ADOPTING APPROPRIATE INDUSTRY STANDARDS; PROVIDING FOR PENALTIES FOR DEVIATION FROM INDUSTRY STANDARDS; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; PROVIDING AN EFFECTIVE DATE.

A copy of proposed ordinances may be inspected by the public by calling the City Clerk's office to request a copy (850) 435-1606, or may be inspected in the City Clerk's office located on the 3rd floor of City Hall, 222 West Main Street, Pensacola, Florida or on-line with the agenda package on the City's website: <https://pensacolafl.portal.civicclerk.com/>. Interested parties may appear at the meeting and be heard with respect to the proposed ordinances. The meeting may also be viewed live stream at: <https://pensacolafl.portal.civicclerk.com/>.

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

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 435-1606 (or TDD 435-1666) for further information. Requests must be made at least 48 hours in advance of the event in order to allow the City time to provide the requested services.

CITY OF PENSACOLA, FLORIDA

By: Ericka L. Burnett, City Clerk

Visit www.cityofpensacola.com to learn more about City activities. Council agendas posted on-line before meetings.

January 8 2024

LSAR0043559

Appendix F
Property Appraisal

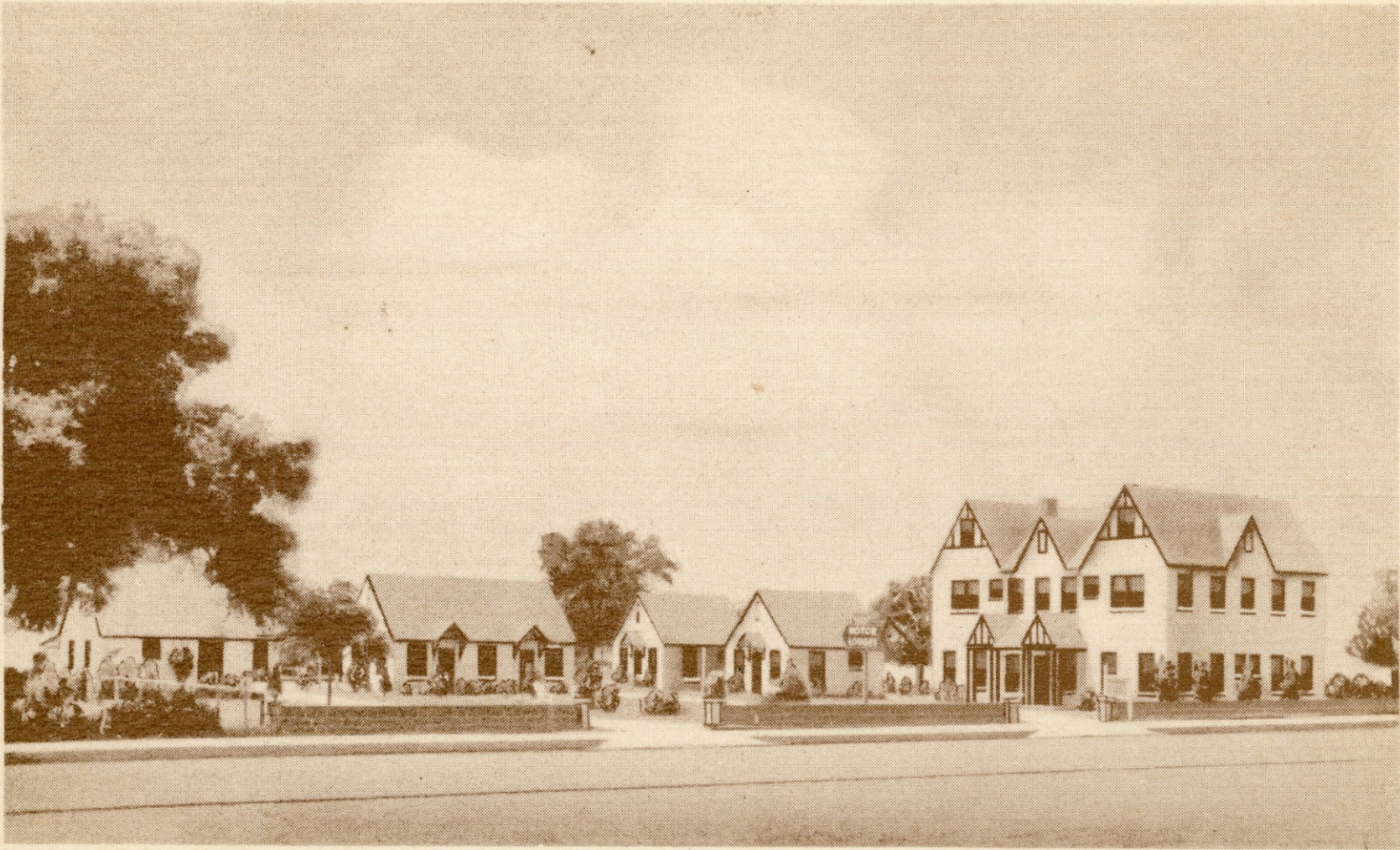
The property appraisal conducted for the former Pensacola Motor Lodge located at 2305 West Cervantes Street can be accessed via the following link:

<https://www.cityofpensacola.com/DocumentCenter/View/26232/Appendix-F---Property-Appraisal-PDF>

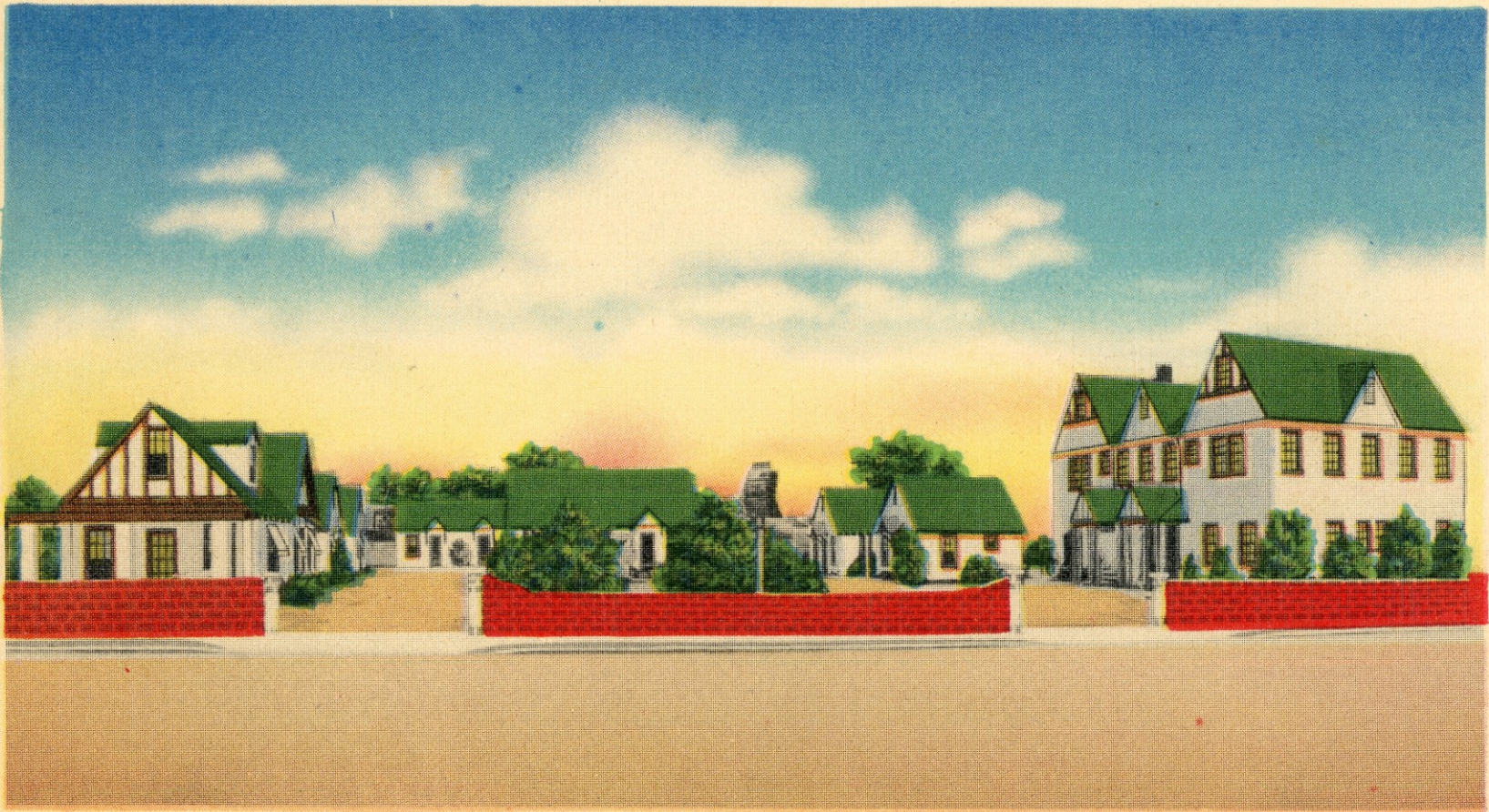
Appendix G

Historic Images

PENSACOLA MOTOR LODGES AND MOTEL, PENSACOLA, FLORIDA.



LOCATED 2 1/2 BLOCKS WEST OF CITY LIMITS ON U. S. HIGHWAY 90.



PENSACOLA MOTOR LODGES AND MOTEL
Located 2½ Blocks West of City Limits on U. S. Highway 90





**REQUEST FOR LETTERS OF INTEREST: REUSE OR
REDEVELOPMENT OF FORMER PENSACOLA MOTOR LODGE FOR
ATTAINABLE MULTIFAMILY RENTAL HOUSING AT 2305 WEST
CERVANTES STREET, PENSACOLA FLORIDA 32505**



SMITH & HENZY
AFFORDABLE GROUP



**City Hall 222 West Main Street, 3rd Fl Pensacola, Florida 32502
Attention: CRA Division Manager**

March 24, 2024

Pensacola Community Redevelopment Agency

222 West Main Street, 3rd Floor, Pensacola, FL 32502

To Whom it May Concern:

Considering the current housing market conditions across the State of Florida, specifically in the Pensacola-area, we are pleased to see that the Pensacola CRA is thinking outside of the box by gauging interest in utilizing the existing Motor Lodge site for the creation of affordable housing units. This request comes at a time of immense opportunity. This development uniquely qualifies for potentially **four** different funding opportunities available from the Florida Housing Finance Corporation. These opportunities consist of: RFA **2024-305** (Hurricane Sally funds) due on 5/21/2024, RFA **2024-215** (Live Local funding for Military Installations), due date to be announced later, RFA **2024-201** (Small & Medium County funding), likely due in the summer, and lastly, RFA **2024-204** (SAIL funding), likely due in the summer. For this reason, we are highly interested in this development and are eager to work with the CRA to bring their vision to fruition.

Smith & Henzy Affordable Group has a long history of working with CRAs and knows the importance of collaborating with local stakeholders. We believe it is important to get the community involved early in the development stage to ensure that all parties have their say in the creation of this life-changing development. In addition, we also seek partnerships with local housing authorities and government agencies to provide maximum benefit to the residents that will soon call this project 'home'. Due to the site's strategic location, we want to ensure we are creating a development that will continue to be a resource to the community for the next hundred years. As a firm, we have currently developed and own over 4,000 affordable housing units nationwide. We are based in South Florida and our expertise is in developing affordable housing across the State of Florida. We are well-versed in the local rules and regulations and are confident that we will be able to quickly deliver our vision for the Motor Lodge site. Darren Smith, a Principal of Smith & Henzy, grew up in public housing and knows all too well about the effects lackluster affordable housing can create. This is why we strive to create high-quality affordable housing developments that the residents can feel proud of.

To ensure that we are following local regulations, we have joined forces with Gallo Herbert Architects, a Florida-based design firm that we have worked with on many projects in the past. Gallo Herbert Architects is currently working on a development in Pensacola, and has relationships with city staff and is well versed in the local code. We look forward to building the rest of our development team should we be successful in being awarded the rights to develop the Motor Lodge.

Depending on which funding path we take, we envision forming either an LLC or an LLP as the owner for this development. Given the CRA's request for housing for those with special needs, we envision partnering with a non-profit that can deliver the care these residents will need. In accordance, we believe the best potential for funding is RFA **2024-215**. This deals specifically with housing for veterans at risk of homelessness and providing affordable housing for active-duty military. We believe this specific type of housing falls most in line with the CRA's goals and will fulfill an immense need for the community. We look forward to discussing our proposed development in further detail.

Drew Krinsky

98 SE 6th Ave Delray Beach, FL 33444

Smith & Henzy Affordable Group Inc.

(561) 400-3370

dkrinsky@smithhenzy.com

Project Description



 San Marcos Heights, St. Augustine

Project Description:

In accordance with the Westside Community Redevelopment Plan and the CRA's goals, we envision creating a development that will be a beacon of hope and opportunity for the neighborhood. We believe the best way to accomplish this and maximize space is by demolishing the existing structures and creating a new mid-rise development. In all of our developments, we aim to construct a product that naturally blends in, and builds off the character of the neighborhood. We will work hand in hand with local stakeholders to ensure our development achieves these goals.

Given the development's proximity within 5 miles from NAS Pensacola, we believe the best opportunity for funding is through RFA 2024-215 Live Local Act Funding for Multifamily Developments near Military Installations. This RFA will be released later this year, and should we be successful in receiving funding, we expect to break ground on this project in 2026. Nonetheless, we will have other opportunities for funding should we fail to be awarded in this RFA. FHFC allows you to request up to \$9.5 Million in SAIL funds (low-interest loan) in conjunction with Tax-Exempt bonds and 4% LIHTC in return for the construction of at least 50% of the units designated for housing active-duty veterans, homeless individuals, veterans experiencing homelessness, and veterans that were honorably discharged. It is rare to see such a specific RFA designated for veterans, but this is proof of the need for high-quality units for these individuals. We envision partnering with a non-profit specialized in dealing with veterans and those at risk of homelessness. This group would be able to provide the much-needed supportive services for these individuals, following the CRA's request to have supportive services provided on-site. We understand and appreciate the CRA's request to have market-rate units, supporting those to the 80-100% AMI's. We aim to meet this request by using income-averaging so that we can have units at 80% AMI, while still meeting the goal of 60% AMI project-wide, thus deeming the project 100% affordable. We believe there is ample need for fully affordable units and believe we need to maximize the tax-credit equity provided from those units. Please see a brief timeline that will be fine-tuned once FHFC releases a schedule:

Event	Date	Notes
Effective Date	5/15/2024	Signed Contract
FHFC Submission	TBD 2024	Due Date
Review Committee	3 Months Later	Initial Scoring
Board Meeting	One Month Later	Final Scoring
Closing	2026	Assuming One Year after Funding

Assuming we pursue military funding, we envision developing up to 120 units, but currently feel 115 units is the sweet spot. Given the demographic this is catering too, we believe the building should be made up of all one-bedroom units to maximize the number

of residents we can accommodate. We envision using an income-averaging approach so that active-duty members can potentially income-qualify. Please see the unit mix below:

Unit Mix & Stabilized Rental Revenue Assumptions:				
30% AMI:	Total Units	Weighted Avg. Unit Size (SF)	Total Net Rentable SF	Unit Mix
One Bedroom/One Bathroom - HAP	18	600	10,800	100.0%
Total 33% AMI Rent	18	600	10,800	100%
60% AMI:	Total Units	Weighted Avg. Unit Size (SF)	Total Net Rentable SF	Unit Mix
One Bedroom/One Bathroom - HAP	11	600	6,600	14.9%
One Bedroom/One Bathroom	63	600	37,800	85.1%
Total 60% AMI Rent	74	600	44,400	100%
80% AMI:	Total Units	Weighted Avg. Unit Size (SF)	Total Net Rentable SF	Unit Mix
One Bedroom/One Bathroom	23	600	13,800	100%
Total 80% AMI Rent	23	600	13,800	100%
All Units:	Total Units	Weighted Avg. Unit Size (SF)	Total Net Rentable SF	Unit Mix
One Bedroom/One Bathroom	115	600	69,000	100.0%
Total Rent	115	600	69,000	100%

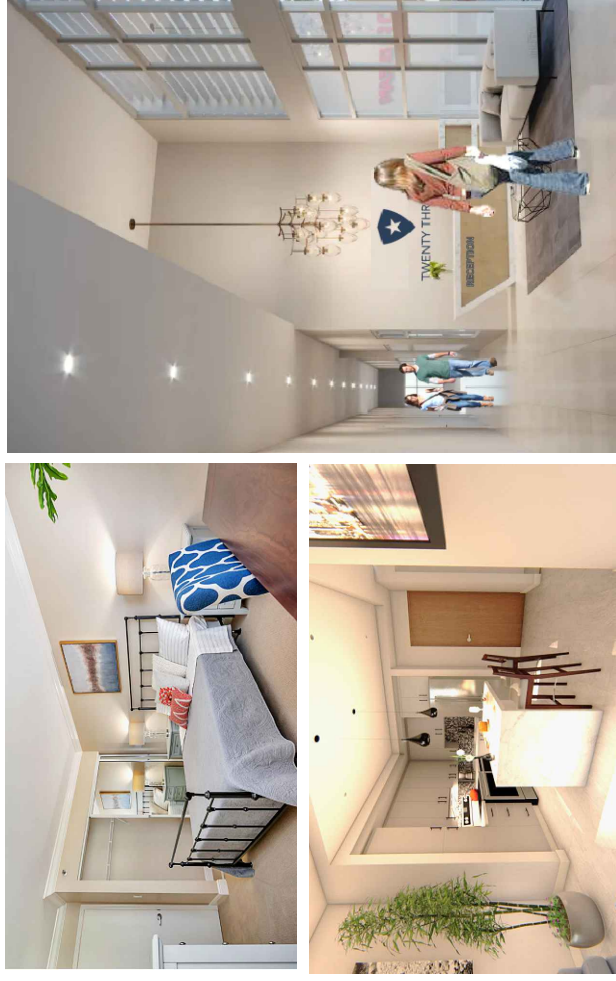
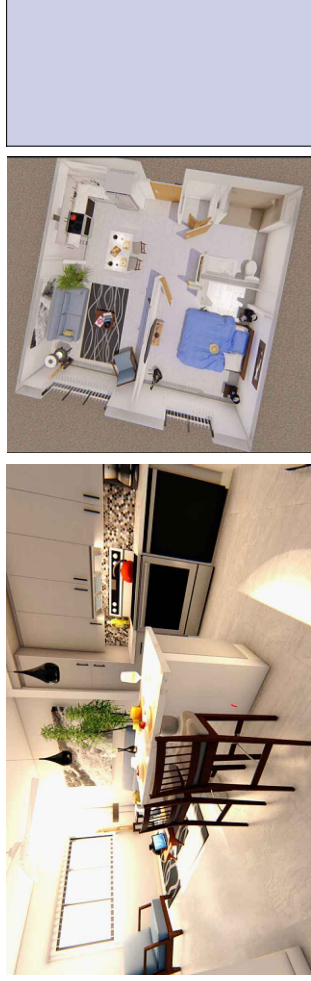
Our development would house 18 individuals, at or below 30% AMI, 74 individuals at 60% AMI, and 23 individuals at 80% AMI. In order to make up for the lower rents received from the lower-income units, we will plan to work with the Pensacola Housing Authority to ensure that we are utilizing their VASH (Veterans Affairs Supportive Housing) vouchers, which would both provide affordable rents for the veterans, while also maximizing the rental income the project can generate as the government pays fair market rent for developments that accept these vouchers. The tax credit rents are as follows: \$460/month for the 30% AMI units, \$921/month for the 60% AMI units, and \$1,228/month for the 80% AMI units. We are willing to keep these rents affordable as long as the CRA wishes, and in accordance with FHFC. Unlike other developers, we are solely focused on affordable housing development and would rather re-syndicate our developments at year 15, instead of bringing the units to market-rate.

We propose developing a single, 5-story L-shaped building, thus maximizing green space and parking capacity. We believe our proposed development conveniently blends in with the area and is designed in a way that seamlessly connects the development to the nearby transportation routes on Gadsden and Cervantes Street. Our development will provide a range of services for the residents, including employment assistance and financial management programs. We are open to working with the CRA to provide access to other services as well. We are well-versed in incorporating MWBE firms in the construction of our developments. Given our experience in dealing with housing

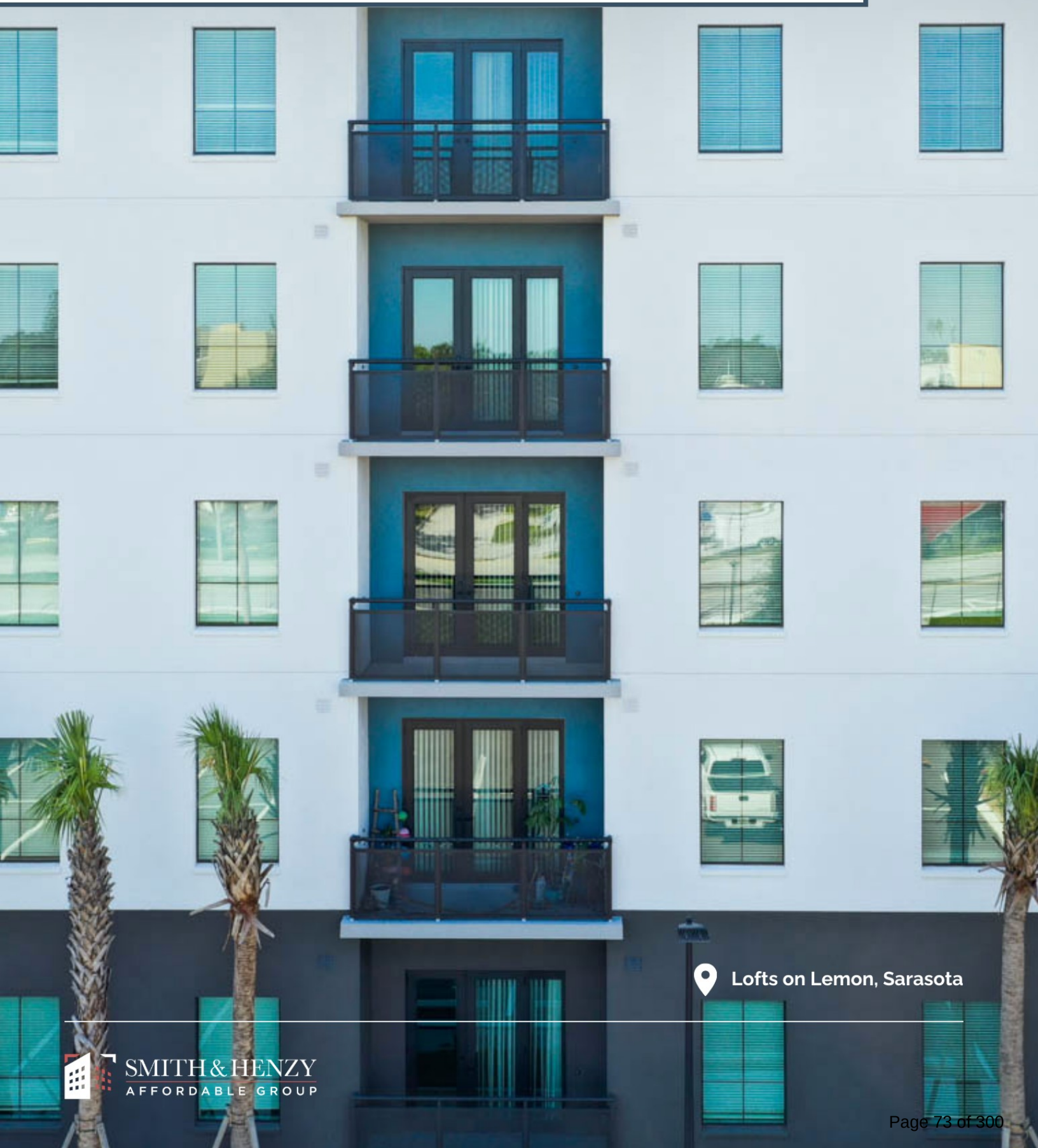
authorities, we typically are required to reach a certain percentage of MWBE firms and have a large database of local subcontractors that can be used for this development. We understand that the CRA prefers variation in floor plans, however this specific RFA would make it difficult to lease up given the demographic. That said, we are open to working with the CRA should they rule out all one-bedroom units. Our development is compliant with the potential land use of the site and are confident this project will be welcomed with open arms from the city given the mission this development serves. In addition, we will design a development that complies with the city's green building standards. Please see our conceptual plans:



The top image is a 3D isometric rendering of a modern apartment interior. It features a living area with a blue sofa, a dining table with chairs, and a kitchen with a blue cabinet. The bottom image is a 3D perspective rendering of the same space, showing a different arrangement of furniture and lighting.



Financial Information



 Lofts on Lemon, Sarasota



SMITH & HENZY
AFFORDABLE GROUP

Development Budget:

Please see the Operating Budget Template on the following page. In addition, below is an operating pro forma and detailed sources and uses. In addition to the FHFC Sail Loan, Tax-Exempt Bonds, and Tax-Credit Equity, we envision partnering with a well-funded non-profit that in addition to providing services for the residents, would also provide a grant to the project. We often team up with non-profits on most of our projects and can secure funding due to the developments shared goals with the non-profits we partner with. We have provided a detailed run-down of our assumptions in the Operating Budget Template. We wanted to note that we anticipate receiving 25 vouchers, likely VASH vouchers, from the Pensacola Housing Authority which would provide rental income of \$1,208 per month, per unit. In addition, we are assuming \$228/square foot, about \$195,000 per unit, for our construction costs.

Sources & Uses:

			Per Net	
Sources of Funds: Construction	Total	% of Total	Buildable SF	Per Unit
Construction Loan	\$ 17,709,387	51%	\$ 179.66	\$ 153,995
Tax Credit Equity	\$ 2,334,817	7%	\$ 23.69	\$ 20,303
FHFC SAIL Loan	\$ 9,500,000	28%	\$ 96.38	\$ 82,609
Non-Profit Donation	\$ 2,500,000	7%	\$ 25.36	\$ 21,739
Deferred Development Fee	\$ 2,422,068	7%	\$ 24.57	\$ 21,061
Total Sources of Funds	\$ 34,466,272	100%	\$ 349.66	\$ 299,707

			Per Net	
Sources of Funds: Permanent	Total	% of Total	Buildable SF	Per Unit
Permanent Loan	\$ 6,228,800	18%	\$ 63.19	\$ 54,163
Tax Credit Equity	\$ 15,565,449	45%	\$ 157.91	\$ 135,352
FHFC SAIL Loan	\$ 9,500,000	28%	\$ 96.38	\$ 82,609
Non-Profit Donation	\$ 2,500,000	7%	\$ 25.36	\$ 21,739
Deferred Development Fee	\$ 672,023	2%	\$ 6.82	\$ 5,844
Total Sources of Funds	\$ 34,466,272	100%	\$ 349.66	\$ 299,707

			Per Net	
Uses of Funds:	Total	% of Total	Buildable SF	Per Unit
Hard Cost	\$ 23,598,000	68%	\$ 239.40	\$ 205,200
Soft Cost	\$ 5,288,061	15%	\$ 53.65	\$ 45,983
Reserves	\$ 371,721	1%	\$ 3.77	\$ 3,232
Development Fee	\$ 5,208,491	15%	\$ 52.84	\$ 45,291
Total Uses of Funds	\$ 34,466,272	100%	\$ 349.66	\$ 299,707

Operating Pro Forma

Operating Detail:

Pro Forma

INCOME:

	\$	\$/Unit
Gross Potential Rent	\$1,440,689	\$12,528
Less: Physical Vacancy	(\$72,034)	5.00%
Less: Concessions		0.00%
Less: Collection Loss		0.00%
Total Economic Vacancy	(\$72,034)	5.00%

Net Rental Income

	\$1,368,654	\$11,901
Laundry & Vending	\$5,750	\$50
Tenant Charges		\$0
Parking / Carport		\$0
Cable		\$0
Retail	\$0	\$0
Community Services Space		\$0
Total Other Income	\$5,750	\$50
Effective Gross Income	\$1,374,404	\$11,951

EXPENSES:

Real Estate Taxes	\$0	\$0
Other Taxes or Assessments	\$0	\$0
Insurance	\$345,000	\$3,000
Licenses & Permits		\$0
Ground Rent		\$0
Gas		\$0
Electricity	\$17,250	\$150
Water & Sewer	\$57,500	\$500
Trash Removal	\$17,250	\$150
Pest Control	\$6,738	\$59
Building Maintenance & Repair	\$57,500	\$500
Interior & Exterior Decorating - Painting	\$14,375	\$125
Supplies & Cleaning Expense	\$8,625	\$75
Elevator Maintenance	\$8,625	\$75
Pool Maintenance		\$0
Parking Lot Maintenance / Snow Removal		\$0
Grounds / Landscaping	\$11,500	\$100
Non Resident Management	\$68,720	5.00%
Resident Manager Salary		\$0
Security		\$0
Payroll	\$100,000	\$870
Payroll Taxes & Benefits	\$28,000	\$243
Apartment Allowance		\$0
Advertising	\$14,375	\$125
Legal & Audit	\$15,000	\$130
General & Administrative	\$28,750	\$250
FHFC Compliance Monitoring Fee	\$15,572	\$135
Support Services / Amenities		\$0
Total Operating Expenses	\$814,780	\$7,085
Replacement Reserves	\$34,500	\$300
Total Operating Expenses incl Reserves	\$849,280	\$7,385

SUMMARY EXPENSES:

MANAGEMENT	\$68,720	\$598
ADMINISTRATION	\$73,697	\$641
PAYROLL	\$128,000	\$1,113
UTILITIES	\$17,250	\$150
WATER & SEWER	\$57,500	\$500
REPAIR & MAINTENANCE	\$124,613	\$1,084
INSURANCE	\$345,000	\$3,000
REAL ESTATE TAXES	\$0	\$0
REPLACEMENT RESERVES	\$34,500	\$300
Total Expenses incl. Reserves	\$849,280	\$7,385

Net Operating Income	\$525,124	\$4,566
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Project Budget:

Uses of Funds:		Per		
		Total	Buildable SF	Per Unit
Acquisition of Land		\$ -	\$ -	\$ -
Hard Cost Residential	185 Per Sq FT	\$ 18,235,714	\$ 185.00	\$ 158,571
Site Work	15 Per Sq FT	\$ 1,478,571	\$ 15.00	\$ 12,857
Demolition		\$ -	\$ -	\$ -
Hard Cost Community Center	125 Per Sq FT	\$ -	\$ -	\$ -
GC Overhead & Profit	14.00%	\$ 2,760,000	\$ 28.00	\$ 24,000
Hard Cost Contingency	5.00%	\$ 1,123,714	\$ 11.40	\$ 9,771
Interest Costs		\$ 1,376,261	\$ 13.96	\$ 11,967
Legal Fees		\$ 637,000	\$ 6.46	\$ 5,539
Finance Fees		\$ 276,882	\$ 2.81	\$ 2,408
FHFC Credit Admin Fee	9.00%	\$ 152,286	\$ 1.54	\$ 1,324
FHFC Application Fee		\$ 3,000	\$ 0.03	\$ 26
FHFC Credit Underwriting Fee		\$ 14,721	\$ 0.15	\$ 128
LIHTC Compliance Fee		\$ 222,535	\$ 2.26	\$ 1,935
Real Estate Taxes	0 Months	\$ -	\$ -	\$ -
Architect Fee - Design & Admin	2.00%	\$ 450,000	\$ 4.57	\$ 3,913
Engineering Fees		\$ 50,000	\$ 0.51	\$ 435
Builder's Risk	1.25%	\$ 246,429	\$ 2.50	\$ 2,143
Survey		\$ 15,000	\$ 0.15	\$ 130
Permits & Impact Fees		\$ 250,000	\$ 2.54	\$ 2,174
Threshold Inspection		\$ 70,000	\$ 0.71	\$ 609
Inspection Fees		\$ 36,000	\$ 0.37	\$ 313
Environmental Audits		\$ 40,000	\$ 0.41	\$ 348
Geotechnical/Soil Studies		\$ 20,000	\$ 0.20	\$ 174
Property Appraisal & Market Study		\$ 15,000	\$ 0.15	\$ 130
Utility Connection & Impact Fees		\$ 500,000	\$ 5.07	\$ 4,348
Title	1.00%	\$ 177,094	\$ 1.80	\$ 1,540
FF&E		\$ 150,000	\$ 1.52	\$ 1,304
Plan & Cost Report		\$ 7,500	\$ 0.08	\$ 65
Cost Certification/Accounting		\$ 40,000	\$ 0.41	\$ 348
Soft Cost & Other Contingency	5.00%	\$ 125,853	\$ 1.28	\$ 1,094
Marketing		\$ 57,500	\$ 0.58	\$ 500
Insurance		\$ 345,000	\$ 3.50	\$ 3,000
Relocation		\$ -	\$ -	\$ -
Conversion		\$ 10,000	\$ 0.10	\$ 87
Operating & Deficit Reserve	3 Months	\$ 321,721	\$ 3.26	\$ 2,798
Lease Up Reserve		\$ 50,000	\$ 0.51	\$ 435
Developer Fee	18%	\$ 5,208,491	\$ 52.84	\$ 45,291
Total Uses		\$ 34,466,272	\$ 349.66	\$ 299,707

Applicants may use this section for operating budgets.

PROJECT COST	Costs
<i>Actual Construction Cost</i>	\$22,474,286
Demolition	\$1,478,571
New Units	\$18,235,714
Rehab of Existing Rental Units	N/A
Accessory Buildings	N/A
Recreational Amenities	Inclusive in Unit Cost
Rehab of Existing Common Areas	N/A
*Other (explain in detail)	N/A
A1. Actual Construction Cost	\$19,714,286
Contingency (explain in detail)	5% Contingency, \$1,123,714
A1.1 Sub-Total	\$20,838,000
A1.2 General Contractor Fee (14 %)	\$2,760,000
A1.3 Total Actual Construction Cost	\$22,474,286

<i>Financial Cost</i>	
Construction Loan Credit Enhancement	N/A
Construction Loan Interest	\$1,376,261
Construction Loan Origination Fee	\$177,094
Bridge Loan Interest	
Bridge Loan Origination Fee	
Permanent Loan Credit Enhancement	N/A
Permanent Loan Origination Fee	\$62,288
Reserves Required by Lender	\$321,721
A2. Total Financial Cost	\$1,777,979

<i>General Development Cost</i>	
Accounting Fees	\$40,000
Appraisal	\$7,500
Architect's Fee – Design	\$400,000
Architect's Fee – Supervision	\$50,000
Builder's Risk Insurance	\$246,429
Building Permit	\$250,000
Brokerage Fees – Land	N/A
Brokerage Fees – Building	N/A
Closing Costs – Construction Loan	\$177,094
Closing Costs – Permanent Loan	\$99,788
Engineering Fee	\$50,000
Environmental Fee	\$40,000
Environmental Report	
*Impact Fees (list in detail)	We will aim to get these exempt but carrying \$500k
Inspection Fees	\$106,000
Insurance	\$345,000
Legal Fees	\$637,000
Market Study	\$7,500
Marketing/Advertising	\$57,500
Property Taxes	\$0, we will work to get these exempt given the mission
Soil Test Report	\$20,000
Survey	\$15,000
Title Insurance	\$177,094
Utility Connection Fee	\$500,000
*Other (explain in detail)	TC Fees \$392,542, FF&E \$150,000, PCR \$7,500, \$10,000 for conversion
*Contingency (7) (explain in detail)	5% = \$125,853

A3. Total General Development Cost	\$34,466,272
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B. Development Cost (A1.3+A2+A3)	\$34,466,272
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C. Developer's Fee	\$5,208,491
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<i>ACQUISITION COST OF EXISTING DEVELOPMENTS (EXCLUDING LAND)</i>	
Existing Buildings	\$0
Developer Fee on Existing Buildings	\$0
*Other (explain in detail)	
D. Total Acquisition Cost	TBD

<i>LAND COST</i>	
E. Total Land Cost	TBD upon negotiation with CRA

F. Total Development Cost (B+C+D+E)	\$34,466,272
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Explanation of Other costs.

Actual Construction Cost - Other	Amount	Description
General Development Cost - Other	Amount	Description
Acquisition Cost - Other	Amount	Description

CONSTRUCTION OR REHABILITATION ANALYSIS

	Amount	Documentation Attached
A. Total Development Cost	\$34,466,272	
B. Sources		
County Funds	\$17,709,387	Tax-Exempt Bonds
First Mortgage Financing		
Second Mortgage Financing		
Third Mortgage Financing		
Deferred Developer Fee	\$2,422,068	
Grants	\$2,500,000	Partnership with Non-Profit
Equity – Partner's Contribution	\$2,334,817	
Other: FHFC SAIL	\$9,500,000	
Other:		
Total Sources	\$34,466,272	
C. Financing Shortfall (A minus B)	N/A	

PERMANENT ANALYSIS

	Amount	Documentation Attached
A. Total Development Cost	\$34,466,272	
B. Sources	\$34,466,272	
C. City Funds Requested	\$0	

Financing Plan Template

Include anticipated funding sources to be utilized and any financing details, including timelines and subsidy requirements.

Name of Source	Amount	Details (Timeline & Requirements)
Permanent Loan	\$6,228,800	We are a Freddie Mac select sponsor and get preferable rates.
Tax Credit Equity	\$15,565,449	4% LIHTC, development is in basis-boost area
FHFC SAIL Loan	\$9,500,000	Would apply this year, loan has low-interest 15-year term.
Non-Profit Donation	\$2,500,000	We would partner with a non-profit and seek other grants to tie to this amount.
Deferred Development Fee	\$672,023	
Total Sources	\$ \$34,466,272	

Relevant Experience



Palmdale, CA

Relevant Experience:

Smith & Henzy Affordable Group is qualified to lead this development effort. Having taken part in over 40 affordable housing developments, Smith & Henzy is one of the fastest growing firms in the nation. We take pride in delivering high quality apartments, with market-rate finishes, at affordable rents. We have ample experience in dealing with developments of this scope and have successfully applied for, and received SAIL, SHIP, HOME, CDBG, and other funding.

When it comes to property management, we aim to partner with the groups that are best fit to deal with each demographic. Across the state, we predominantly partner with SPM, LLC and NDC Asset Management to manage our properties. We also have worked with housing authorities. For this specific development, we would look to partner with a non-profit that specializes in managing developments that deal with veterans and the homeless demographic. These groups best know the needs of the residents and can be a pivotal resource in ensuring the success of the development.

Please see information on Smith & Henzy Affordable Group and our previously completed developments of similar scope on the following pages.

Meet Our Team



DARREN SMITH

PRESIDENT

Darren leads Smith & Henzy's Southeast and Midwest operations in all aspects of development. With over 30 Low-Income Housing Tax Credit (LIHTC) developments in Florida, Darren has grown Smith & Henzy to one of the top affordable housing development firms in the State. Since the inception of Smith & Henzy in 2014, he has led the financing and development of \$1.6 billion of housing, with over 1,800 units currently in the portfolio and another 1,800 in development in Florida.

Under Darren's direction, the Smith & Henzy Florida office, currently closes 6-8 transactions per year and is known for expeditiously executing complex financial structures that involve financing through a diversity of programs, such as 9% LIHTC for new construction, preservation and supportive housing, various forms of subordinate debt financing from the State of Florida and other Florida municipalities, HUD's Section 18, Section 22, and RAD programs, and Freddie/Fannie tax credit financing. The Smith & Henzy Florida office focuses on development and ownership opportunities, often working to bring its nonprofits and Public Housing Authority partners' development visions to life.

Darren grew up in public housing and therefore, is particularly committed to the redevelopment and preservation of public housing sites across the United States. His firsthand experience living in affordable housing fuels his drive to redevelop the most blighted communities and provide quality affordable housing to the families who need it most.

Darren's experience reaches beyond Florida, as he has closed over \$2 billion of 9%, 4%, 80/20 and Freddie/Fannie tax credit financing in New York, New Jersey, Washington D.C., Florida, Texas and California as a banker at Citibank. Prior to starting Smith & Henzy, Darren worked in Citi's Municipal Securities division and specialized in community reinvestment related business. Darren holds a bachelor's degree in Finance & Investment from Baruch College and is currently trustee member for the Baruch College Fund.

Meet Our Team



TIMOTHY HENZY PRINCIPAL/OWNER

Tim leads the Northeast operations for Smith & Henzy development and consulting practices. Under his leadership the firm has created and preserved 6,000 units of affordable housing in New York and Florida totaling over \$1.6 billion in development costs.

The New York office is active in both development and consulting and closes 4-6 transactions per year with the New York State Homes and Community Renewal and New York State Housing Finance Agency. Work with these agencies has included 4% and 9% Low-Income Housing Tax Credits to finance the preservation of State Assisted Mitchell Lama properties, year 15 restructurings, Public Housing Authority redevelopment using RAD and Section 18, and new construction projects focused on supportive housing and energy efficiency.

Smith & Henzy was selected by the State in 2019 to develop 160 apartments in East Brooklyn under the Governor's Vital Brooklyn Initiative. The project is the first project to be completed under the initiative and includes Passive House Certification and 36 supportive apartments for person with developmental disabilities and children aging out of foster care.

Tim has worked as consultant to multiple for-profit and not-for-profit entities. The firm was recently recognized along with our client, People Inc, for their work on the Jefferson House Apartments in Buffalo. The project received the New York State Association for Affordable Housing's Update Project of the Year for 2021.

Tim's career in affordable housing began in municipal government in Massachusetts in 1994. Since 1998 Tim has held positions with development firms working in the New York affordable housing industry as well as worked for a low-income housing tax syndicator overseeing projects in New York, Ohio, Nevada and Wisconsin. Tim holds a Bachelor of Arts degree from Providence College and a Master of Regional Planning degree from the University of Massachusetts at Amherst.

Meet Our Team



JAKE ZUNAMON

SENIOR VICE PRESIDENT OF DEVELOPMENT

Jake identifies new sites, underwrites and analyzes various financial structures, and directs projects from inception through conversion of permanent financing. Jake joined Smith and Henzy in 2022 to grow the company's footprint and add value through development best practices. Prior to joining Smith & Henzy, Jake was a Senior Vice President of Development for Housing Trust Group. While in this role, he oversaw the creation of over 1,000 units of new construction affordable housing and spearheaded the company's expansion into Illinois. Jake holds a bachelor's degree in History and Education from the University of Michigan and is a graduate from University of South Florida's Community Real Estate Development program.



RICK CROGAN

VICE PRESIDENT OF DEVELOPMENT

Rick manages projects from conception through underwriting to closing and construction commencement. Since starting with Smith & Henzy in 2018, Rick has been actively involved in closing over 20 developments that total over 1,500 affordable housing units and \$500 million in development costs. Prior to joining Smith & Henzy, Rick worked at Seltzer Management Group, Inc. (SMG) for 17-years. At SMG, Rick was responsible for affordable housing credit underwriting related to loan and grant requests through Florida Housing Finance Corporation and various county and municipalities throughout Florida. Rick was responsible for validating applicant compliance with all applicable loan and grant requirements of State Apartment Initiative Loans, HOME funds, Low Income Housing Tax Credit allocations, Multifamily Revenue Bond programs, and other financing programs offered through the State's request for application process. Rick holds a bachelor's degree in Accounting from King's College.

Meet Our Team



CELIA GUNN-ZABOLI

VICE PRESIDENT OF OPERATIONS

Celia manages the operations of Smith & Henzy's Florida office. She leads projects from construction commencement to permanent financing and on to stabilized operations. Celia played a pivotal role in growing Smith & Henzy's execution phase capacity, developing new processes and standardizing existing ones to efficiently move projects through construction, development, and financial milestones. Over the past three years, Celia and her team have placed over 1,400 units of affordable housing in service, with a combined development cost of over \$250 million. Currently, Celia is moving 1,100 additional units with development costs of approximately \$250 million through various stages of construction. Prior to joining Smith & Henzy, Celia worked in development in The Michaels Organization's Atlanta office, specializing in LIHTC and PHA redevelopment in the Southeast. Celia holds a bachelor's degree in Multidisciplinary Studies in Theatre and Film from the University of Oklahoma.



MATTHEW MULDOON

VICE PRESIDENT OF CONSTRUCTION MANAGEMENT

Matt works upfront with Smith & Henzy's architectural and engineering teams to refine project site plans and designs and oversees construction to ensure each development is highly cost effective, energy efficient, and sustainable. Since joining Smith & Henzy in early 2022, Matt has been instrumental in successfully identifying cost saving opportunities in the face of construction cost escalations, which has enabled four deals to close and begin construction on time and within budget. He is currently overseeing construction activities on nine projects that total nearly 1,000 units and are in a variety of stages of development. Prior to joining Smith & Henzy, Matt worked for 15-years for a General Contractor in South Florida that specializes in building multi-family projects. Matt became a Certified General Contractor in March of 2022.



JORDAN SCHREIDELL

CONSTRUCTION MANAGER

Jordan joined the Smith & Henzy Florida office in 2023 as a construction manager and owner's representative. He is responsible for attending contractor meetings, conducting site visits, and overseeing change orders and construction schedules for various multimillion dollar projects. Jordan is currently assisting the Vice President of Construction in supervising construction activities on nine projects that total nearly 1,000 units and are in a variety of stages of development. He has been influential in cost efficiency for the firm and is accountable for reporting back to the VP of Construction with ongoing activities for all managed projects. Jordan has hands-on experience in both construction and business. He is a South Florida native and earned an associate degree in business administration and management, including multiple certifications in business management from Broward College. Jordan uses his business and construction skills to readily manage the construction side of Smith & Henzy while he works closely with the development team.

Meet Our Team



MICHAEL HENZY

ASSISTANT VICE PRESIDENT OF DEVELOPMENT

Based in Smith & Henzy's Southeast office, Mike serves as Assistant Vice President where he plays a pivotal role in the company's operations and project management. Since joining the firm in 2019, Mike has been instrumental in overseeing the entire project lifecycle, from acquisition to stabilized operations. His responsibilities encompass a wide range of tasks, including the utilization of HUD repositioning tools like RAD (Rental Assistance Demonstration), Section 18, and Section 22 to redevelop and reposition Smith & Henzy's Public Housing Authority ("PHA") partner's development sites. His expertise extends to the intricate process of analyzing development sites, ensuring that each potential project aligns with the company's mission and goals.

Furthermore, he collaborates closely with PHAs and Non-Profits to navigate regulatory requirements and maximize the impact of Smith & Henzy's initiatives. Mike is also responsible for preparing and submitting Request for Applications (RFA) to the Florida Housing Finance Corporation (FHFC), a critical step in securing the necessary funding for the company's affordable housing developments. His dedication and comprehensive approach have been instrumental in driving the success and growth of Smith & Henzy Affordable Group, Inc.

Prior to joining Smith & Henzy, Mike worked for a development firm in New York, assisting with project planning for the renovation and Rental Assistance Demonstration ("RAD") of a 1,088-unit New York City Housing Authority project in the Bronx. Mike holds a bachelor's degree in business administration from the College of Charleston and a master's degree in Urban and Regional Planning from Florida Atlantic University.



DREW KRINSKY

DEVELOPMENT MANAGER

Drew assists in all aspects of development, such as coordinating pre-closing due diligence items, processing funding requisitions during construction, and managing resident relocation. Since joining Smith & Henzy in 2021, Drew has developed a special expertise in resident relocation; he has managed three resident in-place rehabilitation projects that required relocating over 300 households. This involved hiring and coordinating moving and cleaning companies, renting storage spaces and off-site apartments to be used as temporary housing, managing utility transfers, and addressing resident concerns throughout the process. Drew holds a bachelor's degree in Public Policy from the University of Southern California.

Principals & Officers



William J. Gallo, AIA, LEED AP
CEO & CHAIRMAN

William J. Gallo (Bill), AIA, LEED® AP is Chairman/CEO of Gallo Herbert Architects, an architecture, interior design and consulting firm. He serves as client liaison for key projects and is responsible for all administration, finance and operations of the firm. Bill is instrumental in coordinating entitlements and site approvals, is often retained by peers, clients and the legal community for dispute resolution, development management and feasibility analysis. He is NCARB certified and registered in FL, NY, GA, MA, NJ, DC, DE, PA and SC.

✉ Email • wgallo@galloherbert.com



Brian P. Herbert, AIA, LEED AP
PRESIDENT

Brian P. Herbert, AIA, LEED AP is President of Gallo Herbert Architects. He is responsible for overall project coordination and production within the office. Brian also monitors the progress of jurisdictional agency approvals and provides expert opinion, dispute resolution services and project consulting services. Brian is a registered architect in the State of Florida. He completed his training in architecture at Florida A&M University in Tallahassee, where he received his Bachelor of Architecture Professional degree in 1990.

✉ Email • bherbert@galloherbert.com



John E. Tice, AR
VICE-PRESIDENT

John E. Tice is Vice-President of the firm. John brings over thirty years of experience to our team. From entry level draftsman in 1979 to Architecture firm principal in 1994, John has produced and managed a variety of commercial and residential projects. John's experience as co-owner of the firm of Winningham, Bundy, & Tice, Architects, P.A., provided him the opportunity to lead design and engineering teams in the development of large and complex automotive projects as well as numerous commercial buildings.

✉ Email • jtice@galloherbert.com

Island Cove Apartments

 Owner  Developer  Delray Beach, FL



Island Cove Apartments ("Island Cove") is a new construction, 60-unit family property that was completed in October 2023 and is located at 900 SW 12th Avenue, Delray Beach, FL 33444. The development consists of five (5) two-story, garden-style residential buildings and one (1) non-residential community center/leasing office. Island Cove has 40 2-bedroom units and 20 3-bedroom units at 30% AMI, 60% AMI, 70% AMI, and 80% AMI. Of the 60 total units, all 9 units @ 30% AMI and 16 units @ 60% AMI received project-based vouchers (PBVs), these 25 units were evenly distributed across all five (5) buildings. Unit amenities include washers and dryers for each unit, high-efficiency stainless steel Energy Star appliances, solid surface countertops, peninsulas, and luxury vinyl tile throughout the units. Project amenities include a community building with a leasing office, fitness center, business center, media/gaming room, a pool, basketball court, benches, grilling area, and short- and long-term bike storage. Residents are able to attend resident programs such as adult literacy, employment opportunity assistance, and homeownership programs.

 **\$26.8 million**
total development cost

 **60**
units

Development Type

Affordable Housing,
Family Housing, New
Construction

Financing Sources

Tax-Exempt Bonds,
Federal 4% LIHTC
equity, FHFC SAIL & ELI
Loans, Freddie Mac
Permanent Loan, City of
Delray Beach Community
Redevelopment Agency
Grant

Specialties

Public Housing Authority
Partnership, Workforce
Housing, Hometown
Heros

Sustainable Features

ICC 700 National Green
Building Standard
(NGBS)

Project Team

Delray Beach Housing
Authority, REG Architects,
Delray Housing Group, Pike
Construction Services,
Raymond James, Berkadia

Completion

October 2023

Lofts on Lemon Phase I

 Owner  Developer  Sarasota, FL



Lofts on Lemon, a project of Smith & Henzy's and the Sarasota Housing Authority's, is an innovative mixed-income project that utilizes a diversity of financing sources. Lofts on Lemon Phase I is a new construction, 128-unit, affordable workforce community for families in downtown Sarasota. The project is comprised of a five-story mid-rise building that contains a mix of one-, two-, and three-bedroom apartments for families with annual incomes from 30% to 80% AMI. Lofts on Lemon Phase I will offer a large community room for residents, an indoor gym, and a fifth-floor community media room with a balcony. Of the 128 units, 76 are tax credit units and the remaining 52 are workforce units with a preference for individuals that qualify for a local program called "Hometown Heroes," which aims to provide housing to local police officers, firefighters, teachers, and nurses. Construction will be complete on Lofts on Lemon Phase I in 2022. Smith & Henzy and the Sarasota Housing Authority are pursuing financing for Lofts on Lemon Phase II, with plans to begin construction in late 2023. To date, we have been awarded \$7 million in American Rescue Plan Act funds from Sarasota County.

 **\$33.5 million**
total development cost

 **128**
units

Development Type

Affordable Housing,
New Construction

Public Housing Repositioning Program

Section 18

Financing Sources

Competitive 9% LIHTC
Equity, Construction Loan,
Freddie Mac Permanent
Loan, Sarasota Housing
Authority Loan, Charles
& Margery Barancik
Foundation Funds

Specialties

Public Housing Authority
Partnership, Workforce
Housing

Sustainable Features

Transit Oriented
Development, ICC 700
National Green Building
Standard

Project Team

Sarasota Housing Authority,
Hoyt Architects, JWR
Construction Services, NDC
Asset Management, LLC,
Bank of America, Walker
& Dunlop

Completion

Phase I: 2022
Phase II: TBD

Amaryllis Park Place Phase I

 Owner  Developer  Sarasota, FL



Amaryllis Park Place Phase I is a new construction senior affordable housing development in Sarasota's Newtown neighborhood. The 84 one- and two- bedroom units are affordable to seniors ages 62 and older with annual incomes from 35% to 60% of AMI. The Amaryllis Park Place development site totals 14 acres and originally, contained 100-units of public housing that were in disrepair. Smith & Henzy worked with the Sarasota Housing Authority to craft a phasing plan for the site and remove portions from the Declaration of Trust, through HUD's Section 18 Demolition and Disposition program for Amaryllis Park Place Phase I and Section 22 Voluntary Conversion program for Amaryllis Park Place Phase II. Smith & Henzy is one of the first developers in the country to utilize the Section 22 Voluntary Conversion program. Smith & Henzy and the Sarasota Housing Authority completed construction on Amaryllis Park Place Phase I in early 2022 and the community is fully leased; Amaryllis Park Place Phase II is currently under construction and slated for completion in 2023.

 **\$22.2 million**
total development cost

 **84**
units

Development Type

Affordable Housing,
New Construction,
Senior Housing

Public Housing Repositioning Program

Section 18 and Section 22

Financing Sources

Competitive 9% LIHTC Equity,
Construction Loan, Freddie
Mac Permanent Loan,
Sarasota Housing Authority
Loan

Specialties

Public Housing Authority
Partnership

Sustainable Features

Transit-Oriented
Development, ICC 700
National Green Building
Standard

Project Team

Sarasota Housing Authority,
Hoyt Architects, JWR
Construction Services, NDC
Asset Management, Bank of
America, Walker & Dunlop,
Enterprise Community
Investment

Completion

Phase I: 2022
Phase II: 2023

Pablo Hamlet



Owner



Developer



Jacksonville, FL



Pablo Hamlet is comprised of the revitalization of an existing, 104-unit apartment building and the addition of a new construction, 50-unit building, both of which are reserved for low-income seniors. Pablo Hamlet is located in Jacksonville Beach, FL. The 154 one- and two-bedroom units are affordable to households with annual incomes from 30% to 80% of AMI. Smith & Henzy secured competitive 9% LIHTC to rehabilitate and construct Pablo Hamlet. All 104 existing units have a HUD HAP contract. The scope of work at the existing property included upgrading major systems and making the property ADA compliant/accessible. All units received new, Energy Star appliances, new luxury vinyl tile, new countertops and kitchen cabinets, and new bathroom vanities. Further scope included a new roof, the addition of fire sprinklers in all units, and the addition of nearly 4,000 square feet in community space. Pablo Hamlet was completed in 2022.



\$34 million

total development cost



154

units

Development Type

Affordable Housing, Senior Housing, Preservation, New Construction

Financing Sources

Competitive 9% LIHTC Equity, Construction Loan, Permanent Loan, Reserve Loan, Seller's Note

Specialties

HUD Coordination

Sustainable Features

FHFC Green Building Guidelines

Project Team

Beaches Elderly Housing Corporation, Group 4 Design, Auld-White Constructors, Citi Community Capital, Regions Bank, Elderly Housing Management Corporation

Completion

2022

St. Joseph Manor II

 **Developer**  **Pompano Beach, FL**



St. Joseph Manor II is a new construction, 150-unit, 5-story development that will be located in Pompano Beach, FL and will serve seniors. Smith & Henzy secured \$8.25 million from Broward County to make St. Joseph Manor II a reality. Currently, the 8.6-acre site, which is owned by the Archdiocese of Miami, contains a church and St. Joseph Manor I, which is made up of 63-units of low-income housing for seniors. All 63-units at St. Joseph Manor I are covered by a HUD HAP contract. St. Joseph Manor II will contain 149 one-bedroom units and 1 two-bedroom manager unit. Catholic Health Management, the manager of St. Joseph Manor I and II provides a range of supportive services and on-site security personnel. All 150 units at St. Joseph Manor II will be reserved for households earning up to 60% of AMI. Of the 150-units, 100-units will receive project-based vouchers from the Deerfield Beach Housing Authority. We are currently in predevelopment on St. Joseph Manor II and are working towards a financial closing in Q1 2023.

 **\$48 million**
total development cost

 **150**
units

Development Type

New Construction, Midrise 5 stories, concrete

Financing Sources

4% tax credits, Tax Exempt Bonds, Broward County ARP Loan, Project Based Vouchers

Specialties

HUD and Non Profit Tri-Party Partnership

Sustainable Features

ICC NGBS take from others

Project Team

Archdiocese of Miami, Catholic Housing Management, Deerfield Beach Housing Authority, GHA architect, JWR GC, Kimley Horn civil engineer

Completion

Construction Start 2023
Finsih Summer 2024

St. Joseph Manor II

 Developer  Pompano Beach, FL







*Disabled Veteran and
Minority Owned Small Business*

Bluestone Developers, LLC
1120 Digital Dr Unit 216
Kissimmee, FL 34744
863-316-7577

March 22, 2024

Ref: Letter of Interest- Affordable Housing Development Project at 2305 W Cervantes St, Pensacola FL 32505

Contact Info: Erick Puma – CFO | 407-353-8956 | Email: Erick@bluestonedeveloper.com

To City of Pensacola CRA Board:

In response to the City of Pensacola and its Community Redevelopment Agency's solicitation for Letters of Interest (LOI), we are excited to present our comprehensive redevelopment plan for the former Pensacola Motor Lodge located at 2305 West Cervantes Street. Our proposal is designed to meet the City's goals for attainable, affordable, and work-force, multi-family rental housing, contributing to the objectives outlined in the Westside Community Redevelopment Plan.

Bluestone Developers, LLC is a real estate developer with its headquarters in Kissimmee, Florida. It has been in business since 2021 and is owned and managed by Ricardo Rangel, a disabled veteran and licensed Florida Real Estate agent. Ricardo is a former elected official in the Florida House of Representative. With over 55 years of combined experience in real estate development and master planning, we bring a wealth of knowledge to any project.

We have worked on many mixed-used developments. We specialize in Public-Private Partnerships and collaboration with a government agency and private-sector companies or investors to finance, build, and operate projects, such as affordable housing, hotels, townhomes, condos, parks, convention centers. Financing a project through a public private partnership can allow a project to be completed sooner or make it a possibility in the first place and making it a win for the government, community and investor.

Bluestone is doing a joint venture with the Osceola Council on Aging. The Osceola Council on Aging is a 501(c)3 non-profit that provides a wide variety of services that especially empower seniors for an independent and self-sufficient lifestyle. Despite its name, the Osceola Council on Aging also provides services for disadvantaged citizens and families of any age. The Osceola Council on Aging administers its services to those who need it the most through compassion, love, and never-ending support of our community. OCCOA provides a calendar on-line featuring events for the community, including virtual culinary classes, March for Meals, Meals for Moms, Dinners for Dads, Senior Santa, Mercedes Car Raffle, and more.

Ricardo Rangel - Principal/CEO
Bluestone Developers LLC



LOI Continue

Degree of Interest – Bluestone is looking to play a big role in building affordable housing and creating lasting partnership with the city of Pensacola. On the second phase of this project, we are looking to see if the city will be able to acquire the following parcels Parcel ID: 000S009060030173 and ParcelID:000S009060006160 to continue the development of mixed-used affordable housing. The idea is to have first floor retail and the next 3 or 4 floors as residential units. During this phase of our development, we will look to request the 35% affordable housing bonus units to get the biggest and best use of the property.

Affordability Term: Bluestone believe that this project will be very affordable for at least 30 years. Our main mission is to create affordable housing throughout Florida, and we are not focuses on profit. In the worst-case Bluestone will sacrifice profit in order keep everything affordable to the community.

Preliminary Financing Plan: Bluestone is being proactive with the LOI and is looking forward to working on a direct negotiation with the City of Pensacola and for this reason we have received a preapproval to start work immediately after going into contract with the city. Bluestone has an inhouse team of designers and architects, which will allow us to start the process a lot quicker. We will be applying for the 4% tax LIHTC as well and looking to work with the Escambia Housing Authority.

Subsidy: Bluestone will be requesting the following subsidy

- Request \$10,000 per unit to keep the cost low (90 total units) for both rehab and new construction
- Request the land be granted to the Bluestone, so that we may obtain the funding needed to make the project feasible. In return we will offer in our contract to keep the units affordable for 35 years.
- We will request for Property tax emptions
- Request permit waiver or reimbursements
- Request affordable housing rebate

The Bluestone Team



Ricardo Rangel - CEO/Principal

Ricardo, is a disabled Army Veteran. Ricardo is a former elected official in the Florida House of Representative. He has over 12 years experience in real estate developement projects, land aquisition, commerical real estate, government affairs consulting and creating Private Public Partnerships for Land development projects.



Erick Puma - CFO

Erick Puma is a seasoned Financial Consultant, bringing over a decade of expertise in strategic financial leadership in commercial real estate and developement. An alumnus of Seton Hall University, Erick specialized in Finance and further enhanced his knowledge with diplomas in Corporate Finance from both the University of Economics and Politics of London and Fudan University, China. Erick has great experience in raising capital for real estate developement projects.



Lina Alvarez - Real Estate Aquisitions

Lina graduated from Sabana University in Colombia with a law degree. In 2014, she relocated to Brevard County Florida, where she has been working as a realtor since 2018. Committed to providing exceptional service, She dedicate significant time to ongoing education, staying abreast of the latest market information, techniques, and trends. Lina has extensive knowledge of land aquisition and plays a key roll in Bluestone Developers.

Photo
Not
Avaiable

Robert Martinez - Civil Engineer

Roberto Martinez is a highly accomplished civil engineer with over a decade of experience in construction management, geotechnical engineering, and structural design. He holds a Bachelor's degree in Civil Engineering and a Master's degree in Geotechnical Engineering from West Virginia University, where he honed his skills and acquired in-depth knowledge of the field. Throughout his career, Martinez has demonstrated his proficiency in managing construction projects from conception to completion, tackling complex geotechnical challenges, and designing robust structural systems.

The Bluestone Partners

Krevo Architects

Krevo is an innovative and young architecture firm established in 2020, specializing in bioclimatic design. Driven by a deep-seated passion for sustainability and social responsibility, our mission is to create sustainable and efficient architectural solutions that reduce vulnerability to climate change, enhance community well-being, and protect our planet. Our vision is to be at the forefront of sustainable architectural design, driving innovation and setting new standards in the construction industry.

At Krevo, we design and develop bioclimatic architectural projects that optimize the use of natural resources, focusing on water reuse, waste minimization, and low energy consumption while adhering to high standards of quality, thermal comfort, natural lighting, and ventilation.

Our approach is rooted in transparency, collaborative work, constant learning, education, and technology—fundamental pillars of our process. We strive to deeply understand our clients' needs to provide customized solutions that ensure their satisfaction.

Our team at Krevo enriches our firm and the architecture field with their significant experience in a wide range of architectural projects for homes, institutions, and businesses in both Colombia and the USA. With involvement in over 30 diverse projects, our professionals have a proven track record in BIM modeling and coordination. They also bring a dedicated focus on bioclimatic design and sustainability, having contributed to projects that meet high environmental certification standards.

Concept Design Build LLC

Ahmed Zaghloul - President GCG # CGC1519516
Architect/Licensed General Contractor

Bachelor's in architecture engineering / urban planning, 20 years' experience in architecture, construction and civil work. Ahmed started his own company in 2010 to get all the project team on one table from the beginning of the project. He completed 10s of project in commercial and residential.

IAG Investments LLC

IAG is a full-service real estate development company that brings over 14 years of experience in the development business of all sizes and complexities. IAG acquires, develops, repositions, and redevelops properties, raises capital for projects, and brings highly qualified partners and investors to execute successful projects across the United States with a primary focus in the southeast states.



OAKWOOD SENIOR HOUSING

140 OAKWOOD DRIVE
KISSIMMEE, FLORIDA 34743

OSCEOLA COUNTY RFP-21-12342-DG

Brief Description

The Osceola Council on Aging is a 501(c)3 nonprofit that provides a wide variety of services that especially empower seniors for an independent and self-sufficient lifestyle. Despite its name, the Osceola Council on Aging also provides services for disadvantaged citizens and families of any age. The Osceola Council on Aging administers its services to those who need it the most through compassion, love, and never-ending support of our community. OCCOA provides a calendar on-line featuring events for the community, including virtual culinary classes, March for Meals, Meals for Moms, Dinners for Dads, Senior Santa, Mercedes Car Raffle, and more.

Years in Service

Founded in 1971, Osceola Council on Aging is proud to announce its 50-year anniversary and will celebrate and reflect on its past 50 years of service to the community this fall at its gala. Gala proceeds will go directly back into the service programs provided by the Osceola Council on Aging.

Range of Professional Services

- Adult Day Health Care
- Food Pantry Registration
- Transportation Services
- Guardianship
- Housing
- Nutrition
- Free Healthcare Clinics
- In Home Personal Care/
Homemaking Services

Contact Information

Address: 700 Generation Point
Kissimmee, FL 34744
Phone: 407 - 846 - 8532
Fax: 407 - 846 - 8550



OAKWOOD SENIOR HOUSING

140 OAKWOOD DRIVE
KISSIMMEE, FLORIDA 34743

OSCEOLA COUNTY RFP-21-12342-DG

1. NSP HOMES | Role: Owner | Construction Year: 2010 | Project Cost: approx. \$2MM | S+U: \$2.3MM NSP-1 (2010), NSP-3 (2018) HOME Funding; Kissimmee City-Donated Land | Unit Count: 12 Homes | Rents: 50% AMI HOME Rental Limits | 100% Occup. Y1 - Current

NSP homes consists of 12 NSP homes on donated real property. Ten single family NSP homes were acquired in 2010 and renovated using NSP-1 HOME Funding by Kissimmee City. In 2018, two single family homes were constructed and donated. These two homes were funded using NSP-3 HOME Funding by Kissimmee City. Osceola Council on Aging worked with the City of Kissimmee to bring the site back to life and redevelop these homes for low income families at 50% AMI or lower. OCCOA programmed this community with wrap-around services, including Meals on Wheels; a social worker on call; community calendared events; and routine maintenance to the community grounds. The homes are at 100% occupancy.

2. OAK LEAF LANDINGS I | Role: Nonprofit Sponsor | Construction Year: 1998 | Project Cost: approx. \$2,695,800 | S+U: HUD 202 Capital Advance; PRAC 202 | Unit Count: 50 1BR-PRAC | Rents: 50% AMI or lower | 100% Occup. Y1 - Current

Built in 1998, under the HUD 202 program, for low-income seniors aged 62 or older, this is a 50-unit PRAC with all 1-BR units to house low-income seniors at or below 50% AMI. Amenities include a patio with a community garden, a gazebo with ample shaded seating and railing for ADA accessibility, a screened-in porch to stay protected from Florida's hotter climate, and a community gathering room with generous natural light and high ceilings, a resident library, as well as Osceola Council on Aging's signature Wrap-Around services, including transportation services and Meals on Wheels are offered a la carte. This community is at 100% occupancy with a 5-year waiting list.



OAKWOOD SENIOR HOUSING

140 OAKWOOD DRIVE
KISSIMMEE, FLORIDA 34743

OSCEOLA COUNTY RFP-21-12342-DG

3. OAK LEAF LANDINGS II Role: Co-Owner | Construction Year: 2000 | Project Cost: \$5,858,154 | S+U: 9% LIHTC | Unit Count: 70 units, 1-BR + 2-BR | Rents: 60 units @60% AMI, 10 units @35% AMI | 100% Occup. Y1 - Current



Built in 2000, as a new construction project using 9% tax credit financing, for low-income seniors aged 62 or older, with a rental breakdown of 85% of units @ 60% AMI 15% of the remaining units @ 35% AMI. The project has 70 units to house low-income seniors as well as two bedroom units. Amenities include outdoor gathering spaces, electric appliances, generous cabinetry and storage spaces in units, and OCCOA's signature Wrap-Around services service this community. The community is at 100% occupancy with a 5-year waiting list.

4. ST. CLOUD VILLAS I Role: Owner | Phase 1 Construction Year: 1984 | Project Cost: \$4,172,438 (Phase 1 + 2) | S+U: USDA (Phase 1), HUD 202 Capital Advance (Phase 2) | Unit Count: 32 units | Rents: 50% AMI or lower | 100% Occup. Y1 - Current



Built in 1984 and later donated to OCCOA, this 32-unit garden-style community is right off of Route 192 and offers housing for low-income seniors aged 62 or older. With 1 and 2-bedroom unit options, each apartment is accessible by the ground floor for seniors to age in place and senior residents have optimal accessibility features. The community is tucked behind large trees and matured landscaping, and amenities include a library and reading nook, as well as a

gathering den with an oversized sofa and arm chair for socializing and games. Residents are also offered Osceola Council on Aging's signature Wrap-Around services. St. Cloud Villas I is at 100% occupancy and has a 5-year waiting list.

OAKWOOD SENIOR HOUSING

140 OAKWOOD DRIVE
KISSIMMEE, FLORIDA 34743

OSCEOLA COUNTY RFP-21-12342-DG

5. ST. CLOUD VILLAS II Role: Owner | Phase 2 Construction Year: 2007 | Project Cost: \$4,172,438 (Phase 1 + 2) | S+U: USDA (Phase 1), HUD 202 Capital Advance (Phase 2) | Unit Count: 32 units | Rents: 50% AMI or lower | 100% Occup. Y1 - Current



Built in 2007, this project is a 50-unit low-income senior housing community for residents aged 62 and older. HUD funding services the construction of this project, and Osceola Council on Aging operates 50 generous-sized PRAC units at St. Cloud Villas II. Community amenities include a covered porte-cochere for easy door-to-door vehicle access, curbside convenience, and overhead protection from Florida's subtropical climate while residents are waiting on transportation.

Other amenities include a large game and gathering community room that includes a pool table, television, refrigerator, library, and in-house office center. Osceola Council on Aging also offers its signature Wrap-Around services to residents, include Meals on Wheels, transportation, and calendared events. The community operates at 100% occupancy and has a 5-year waiting list.

6. TRACEY MANOR Role: Owner | Phase 2 Construction Year: 1996 | Project Cost: approx. \$910,000 | S+U: HOME Funding | Unit Count: 14 units | Rents: 50% AMI or lower for 2 BR | 100% Occup. Y1 - Current



Built in 1996, using HOME funding, for low-income seniors aged 62 or older, this is a 14-unit apartment project for low income seniors. With a spacious layout and cottage-style homes, the community offers a suburban life within city limits. The location is within minutes of retail centers and amenities like banks and pharmacies. As with Osceola Council on Aging's other communities, Tracey Manor is offered OCCOA's signature Wrap-Around services for residents. The community is at 100% occupancy with a 5-year waiting list.

SIGNATURE WRAP-AROUND SERVICES

Adult Day Health Care

Community Action Services

Guardianship

Health Clinic

Housing

Home Care Services

Nutrition

Transportation

Home Rehab

Zumba Classes

Dominos

Bingo nights



OAKWOOD SENIOR HOUSING

140 OAKWOOD DRIVE
KISSIMMEE, FLORIDA 34743

OSCEOLA COUNTY RFP-21-12342-DG

Housing Performance of Sponsor Projects, 1981 - Present

Project Name/Address HUD Hub/Project No./Type	No. Units	Occupancy Rate	% Minority Occupants	Fund Reservation Date (FY)	Status (c)	Initial Closing (b)	PTO (b)	Fund Reservation			Amendment Funds Needed Dollar & Percent	Explanation of Amend. Funds	REAC & Mgmt Score	
								Beyond 24 Mo	Beyond 36 Mo	Beyond 48 Mo			Date	Score
Oak Leaf Landings 2350 N Central Avenue Kissimmee, FL 34741 067-EE036 / HUD 202	50	100%	78%	1998	FCL	N/A	N/A	No	No	No	None	None	06/02 08/08 01/14 01/18	97 83b 97b 98a
St. Cloud Villas 4226 Memory Ln St. Cloud, FL 34769 USDA / Elderly	32	100%	90%	2003	FCL	N/A	N/A	No	No	No	N/A	N/A	N/A	N/A
Kissimmee Oak Housing (a) 2350 N Central Avenue Kissimmee, FL 34741 FL Tax Credit	70	100%	76%	2000	FCL	N/A	N/A	No	No	No	N/A	N/A	N/A	N/A
Tracey Manor (d) 19 th Street St. Cloud, FL 34769 FL HOME Funds	14	100%	50%	1995	FCL	N/A	N/A	No	No	No	N/A	N/A	N/A	N/A
St. Cloud Villas II 4300 Forget Me Not Ct St. Cloud, FL 34769 067-EE132 / HUD 202	50	100%	87%	2004	FCL	N/A	N/A	No	No	No	None	None	4/11 09/15	90a 96a
NSP 700 Generation Point Kissimmee, FL 34769 NSP Housing	12	100%	70%	2009-2010 and 2018	FCL	N/A	N/A	No	No	No	N/A	N/A	N/A	N/A

N/A: Projects funded prior to FY2005 are not evaluated.

Note (a): Owned by nonprofit and sponsored by Sponsor. Residents include elderly and disabled. Financed with tax credit.

Note (b): If developed prior to 2005, this information was not provided.

Note (c): FCP - Firm Commitment Pending

UC - Under Construction

FCLP - Final Closing Pending

FCL - Final Closing

Note (d): Owned by nonprofit and sponsored by Sponsor. Residents include elderly. Financed with tax credit.



Wendy Ford
CEO / President, OCCOA

EXECUTIVE LEADERSHIP + STRATEGY

email: fordw@osceola-coa.com
phone: 407-383-0012

OSCEOLA COUNCIL ON AGING | President and CEO | June 2019-Present

- Nonprofit Leadership + Management + Direction + Strategy + Oversight
- Executive Strategy + Fiscal Year Forecasting
- Management of more than \$9MM annual revenue in charitable assets
- Senior Community Portfolio Management, Grant Management
- Budgeting + Accounting, Data Management + Performance Metrics
- Staff Processes, Trainings, Asset + Property Management Protocols, AFHMP Procedures
- Funding Programs + Voucher Compliance, including HAP, PRAC, HUD 202

EDUCATION + ACCOMPLISHMENTS

HCCP Certification - NAHB (2012); Florida Association of Homes and Services for the Aging Leadership Academy - University of Florida Leadership Development Institute (2010); AHM (Assisted HUD Manager) Certification through Quadel Consulting (2004); Florida Association of Homes and Services for the Aging (Leading Age) Compliance and Fair Housing Training, 2010; Annual Florida Housing Finance Corp. Compliance Training; Annual HUD Compliance Training; Florida Department of Business and Professional Regulation; Board of Cosmetology from 1987 to present; Notary of Public; Board Member, Kissimmee AHAC; University of Central Florida – Bachelor of Arts in Business Administration

PAST EXPERIENCES

OSCEOLA COUNCIL ON AGING | Director of Housing + Finance | 2004-2019 | Annual Reports + Budget Management | Compliance | Housing Standards | Policies + Procedures | Monthly Expense Reports + Quarterly Reporting | Best Practices + Leadership on DEO, DEOA for Guardianship, CSBG, CDBG, HOME CHDO, WAP, Case Management, LIHEAP, EHEAP, SRA (3B, C1, C2, 3E&ADI) | Government Liaison

OSCEOLA COUNCIL ON AGING | Service Coordinator | 2001-2004 | Daily Living Assistance | Case Management | Senior Healthcare Professional Coordination | Senior Transportation Coordination | Pharmaceutical Plans

OSCEOLA COUNCIL ON AGING | Senior/Kid Care Companion | 1999-2000 | Senior Companion Connectivity Programming | Payroll Processing | Youth Engagement | Community Engagement

GAYFERS HAIR AND NAIL SALON | HR Director + Development | '12-'15 | Master Hair Designer



Chuck Berkau

Senior Vice President, OCCOA

PROJECT + CONSTRUCTION MANAGEMENT | PERFORMANCE | DATA
ANALYSIS | OPERATIONS | MARKETING + SALES | SENIOR LEADERSHIP

email: berkauc@osceola-coa.com

phone: 407-846-8532 x1211

OSCEOLA COUNCIL ON AGING | Senior Vice President and CEO | Dec 2019-Present

- Programmed, coordinated, supervise a staff of 50 + team members
- Employee trainings, Staff Process Management
- Software + Systems Management
- ApplicantStack SaaS, AR/AP Process Improvement, Office 365 SME Recruiting , Salesforce
- Funding initiatives and program oversight

EDUCATION + ACCOMPLISHMENTS

US NAVY Data Systems Lead Petty Officer; Service Excellence Commendations; Neil Rackham's SPINp Selling; Miller-Heiman's Conceptual / Strategic Selling & LAMP; Microsoft Applications including Office, Visio & Project; Rotary International Paul Harris Fellow; Greater Orlando Leadership Foundation graduate; Rochester Institute of Technology, Computer Science

EDUCATION + ACCOMPLISHMENTS

SDLC, Waterfall, Agile/Scrum | Rackham's SPINp Selling | Implementation Oversight | Business / IT Liaison | Workflow Analysis | Process Design + Automation | Miller Heiman LAMP / Strategic Selling | Software Requirements | COTS + In-house Applications | C.B.A. / Total Cost of Ownership

PAST EXPERIENCES

OSCEOLA COUNCIL ON AGING | Director of Housing Maintenance | July '19 - Oct. '19

SCARF | Human Resources Quality and Compliance Supervisor | 2016-current | Process Streamlining | Recruitment + Onboarding | Performance Training

HOME INSTEAD SENIOR CARE | General Manager | '15 - '16 | Directed 6 Depts + 135 staff

OSCEOLA COUNCIL ON AGING | HR Director + Development | '12 - '15

PROCESS WORKS INC. GENERAL CONSULTING | 1997-2012 | Business analysis | Process improvement | Defined Complex Business Needs | Re-engineering + Automation | Workflow Streamlining | Project Management | Software Implementation



John Perry

Weatherization Director, OCCOA

CONSTRUCTION MANAGEMENT | FACILITIES | PROJECT FIELDWORK |
WEATHERIZATION + HOME REPAIR | CONSTRUCTION - NSP HOMES
email: perryj@osceola-coa.com
phone: 407-709-3993

OSCEOLA COUNCIL ON AGING | Weatherization Director | Dec 2019-Present

- Programmed, coordinated, supervise 9-person crew
- Construction and weatherization employee trainings lead
- Covering scopes of work in Osceola and Orange Counties
- State inspection compliance, on-site reviews and compliance, pre-construction due diligence
- Inspect work completed by employees to ensure done properly for State inspection
- Pandemic protocol employee safety + quality assurance, gear, and PPE
- State DEO billing compliance, OSHA compliance

ACCOMPLISHMENTS

Instituted Countywide American Dream Homeownership Program | CDBG Entitlement Program for County | Volunteerism | Grassroots Participation | HUD Award for Best Practice in Family Self Sufficiency Program; Associates in Business Administration, Gloucester County College

PAST EXPERIENCES

HABITAT FOR HUMANITY | Construction Admin | Nov. '17-'19 | Managed staff and volunteers, construction scopes, project timelines, budgeting, and safety

OSCEOLA COUNCIL ON AGING | Maintenance Supervisor | Jan. '12-July '16 | Supervised 4 properties + 5 maintenance staff members, bidding, project management

FLORIDA SPECS / RLH CONSTRUCTION | Project Manager | Nov. '10-Dec. '11 | Kissimmee City's NSP-1 program, bidding, scopes, construction management

TOUSA/ENGLE HOMES | Project Manager | Jan. '05-Aug.'08 | Facilities management, construction and project scheduling, project reports, inspections

KISSIMMEE CITY | Building Inspector | Feb. '04-Jan. '05 | Construction + MEP inspections, compliance reviews, technical assistance, code compliance

GENESIS HOUSING CORP | Executive Director | Jan. '91-Oct. '03 | CDBG entitlement, regulatory compliance, environmental reviews, liaison and presenter to county officials



1. MISSION COMES FIRST.

As a threshold matter, Osceola Council on Aging will inventory and retain the most qualified professionals in their respective fields of real estate development and related industries to deploy to the Motor Lodge site. Bluestone and Osceola Council on Aging also knows that its mission comes first. As such, during professional services bidding process, OCCOA will ensure that company missions and work cultures of any retained professionals are complementary and worthy to OCCOA's mission and community culture of placing a priority on service to the most vulnerable low-income populations and citizens.

2. MOTOR LODGE PROPERTY LOI SUBMISSION TO CITY OF PENSACOLA.

Bluestone will submit this LOI on the extended deadline date of MARCH 24 at 5 pm and will pivot its focus on next steps to assemble its A-team of professionals in a transparent bidding process with shortlisted, handpicked candidates that have a proven track record.

3. TRANSPARENT BIDDING AND DESIGN TEAM SELECTION.

After Bluestone submits its response to the city, it will pivot its focus to bidding and retention of worthy candidates to provide a design build acumen and capacity Bluestone expects for the Motor Lodge site. As a 50-year old nonprofit, OCCOA adheres to stringent corporate fiduciary duties and adopts best practices to procure external professional services. Bluestone and OCCOA has shortlisted a few candidates with a proven track record and cultural fit, but we continues to build upon its retained professionals and vendors list.

4. DESIGN TEAM SELECTION AND DUE DILIGENCE.

Once Bluestone is awarded the Motor Lodge project, Bluestone will carefully handpick and select its design team architect and GC, as well as relevant transactional professionals, environmental professionals, engineers, and other experts needed for the Motor Lodge project's success.

5. PREDEVELOPMENT + SHOVEL READINESS.

Bluestone will phase into predevelopment activities and transactional stages of seeking additional 4% tax credit equity sourcing through the Florida Housing Finance Corporation (FHFC). Bluestone and OCCOA will submit a 4% tax credit application to FHFC in summer 2024. Around the same time, Bluestone will also deploy its environmental experts to conduct proper soil borings and other due diligence needed to ensure the Motor Lodge property site conditions are conducive to its vision and delivery of 90 units of affordable housing units. HUD requires the HEROS platform for environmental testing and reports, and Bluestone will ensure its environmental professionals have requisite understanding of HUD's HEROS platform to ensure compliance with the HOME funding program. Bluestone will prepare the site into a shovel-ready condition with proper environmental and topography review, as well as finalize its site plan to conform to the site conditions. Construction pricing and budgets will be finalized, and building permits will be pulled after final site plan approval with the city.



6. CLOSING + CONSTRUCTION.

After source origination and taking down the land, the GC will be given the Notice to Proceed (NTP) for an 18-month construction schedule. Bluestone anticipates to break ground approximately August 2024 for project delivery in December 2025.

7. PUNCHLIST, CofO + AFHMP LEASEUP.

Before project delivery, Bluestone will engage City of Pensacola and work together in tandem with OCCOA's in-house supportive services and management team to begin an Affirmative Fair Housing Marketing Plan (AFHMP) in close coordination with City of Pensacola. OCCOA's management and support team will begin to market leaseup opportunities to qualifying residents and senior residents.

8. MANAGEMENT + QUALITY ASSURANCE.

While aggressive, OCCOA maintains conservative project assumptions for an under-promise-over-deliver approach to manage expectations and set up the Motor Lodge project for success. As with other properties in its portfolio, OCCOA anticipates a seamless leaseup within 4-6 weeks to reach 100% occupancy of the 90 units. OCCOA's in-house facilities management team will be on site routinely and frequently to monitor the newly-delivered project and ensure resident comfort. OCCOA will work closely with City of Pensacola to ensure its programming at Motor Lodge is approved by the City, and OCCOA will work with the City on a schedule and routine status meetings to ensure the City has satisfactorily met its goals with Bluestone's turnkey development services at Motor Lodge property.

9. WRAP-AROUND SERVICES.

As with all of OCCOA's residents, The Motor Lodge's residents will have frequent visitation and easy access to Osceola Council on Aging's robust calendar of activities for socializing and companionship, as well as a full suite of Wrap-Around supportive services for nutrition, health screenings, and transportation services.

10. OPERATION + SUPPORT.

Bluestone and City of Pensacola will continue the development partnership at Motor Lodge to ensure its longevity, preservation of affordability with a 50-year covenant, and Motor Lodge Housing will become a treasured community for OCCOA and a high-impact successful project for the City of Pensacola to use as a case study and template for more future projects in partnership with Osceola Council on Aging!

Project Concept



Our redevelopment plan encompasses three main interventions, thoughtfully designed to revitalize the area while preserving green spaces and providing much-needed housing solutions:

Retrofit of Existing Motel Units: We propose to transform the existing 30 motel units at the northern part of the building site into modern studio apartments. This intervention will repurpose the existing structures, minimizing environmental impact while providing affordable living spaces.

New Construction of Residential Blocks: On the southern part of the site, we plan to construct three new blocks with three floors each, offering a mix of studio (48 units) and two-bedroom apartments (12 units). This development is aimed at diversifying housing options to cater to a broader demographic, promoting inclusivity and community living.

Community Building and Green Spaces: To foster community engagement and provide leisure spaces for tenants, we will add a small building dedicated to social events and interactions. Complementing this, the addition of native trees and vegetation will ensure the preservation of green areas, aligning with the project's sustainability goals.

CONCEPT

2305 West Cervantes Street
Pensacola, FL 32505



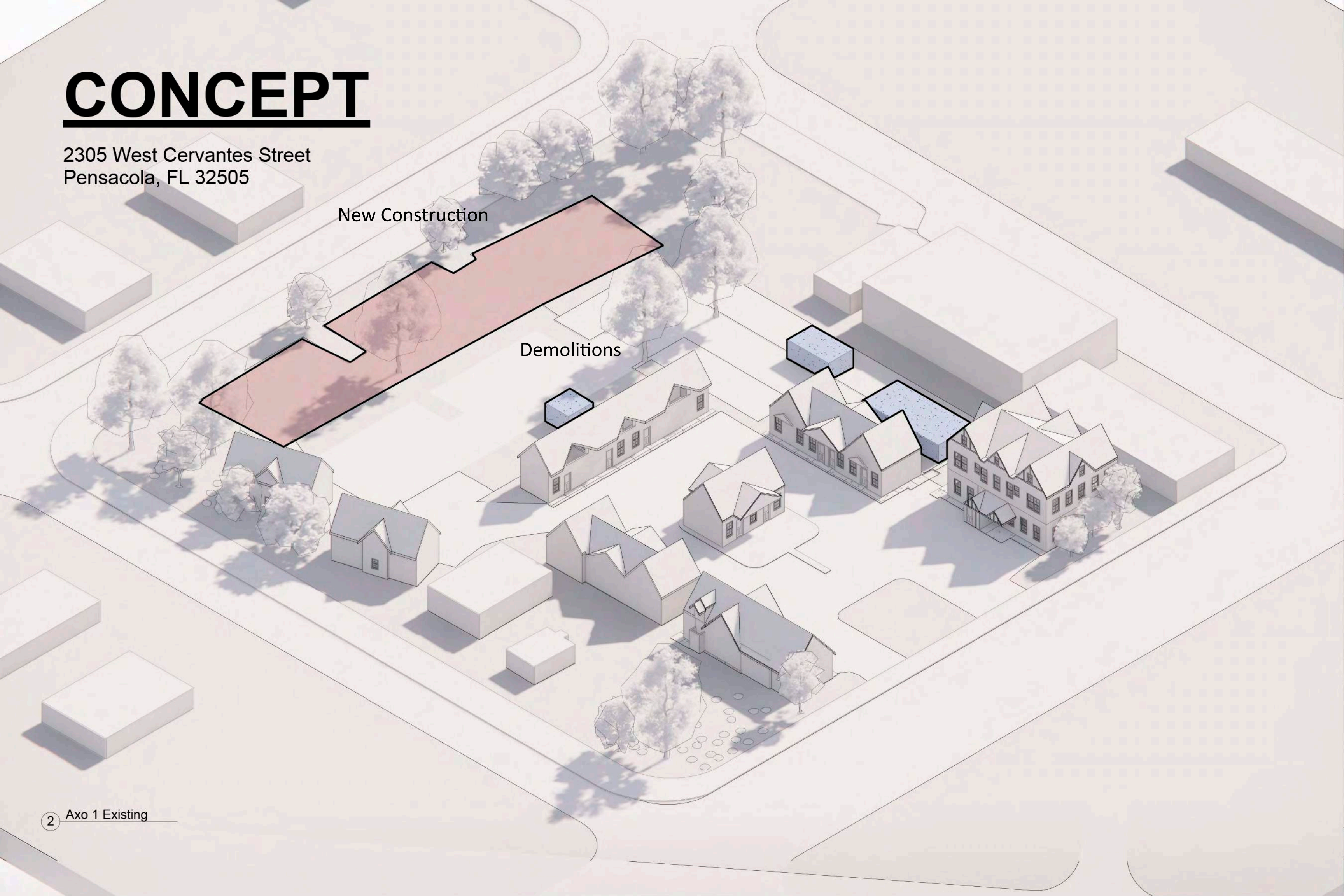
CONCEPT

2305 West Cervantes Street
Pensacola, FL 32505



CONCEPT

2305 West Cervantes Street
Pensacola, FL 32505



New units x60
Retrofitted unites x30
Total units x90



Project Proposal for the Redevelopment of the Former Pensacola Motor Lodge

In response to the City of Pensacola and its Community Redevelopment Agency's solicitation for Letters of Interest (LOI), we are excited to present our comprehensive redevelopment plan for the former Pensacola Motor Lodge located at 2305 West Cervantes Street. Our proposal is designed to meet the City's goals for attainable, affordable, and workforce multi-family rental housing, contributing to the objectives outlined in the Westside Community Redevelopment Plan.

Project Overview:

Our redevelopment plan encompasses three main interventions, thoughtfully designed to revitalize the area while preserving green spaces and providing much-needed housing solutions:

Retrofit of Existing Motel Units: We propose to transform the existing 30 motel units at the northern part of the building site into modern studio apartments. This intervention will repurpose the existing structures, minimizing environmental impact while providing affordable living spaces.

New Construction of Residential Blocks: On the southern part of the site, we plan to construct three new blocks with three floors each, offering a mix of studio (48 units) and two-bedroom apartments (12 units). This development is aimed at diversifying housing options to cater to a broader demographic, promoting inclusivity and community living.

Community Building and Green Spaces: To foster community engagement and provide leisure spaces for tenants, we will add a small building dedicated to social events and interactions. Complementing this, the addition of native trees and vegetation will ensure the preservation of green areas, aligning with the project's sustainability goals.t

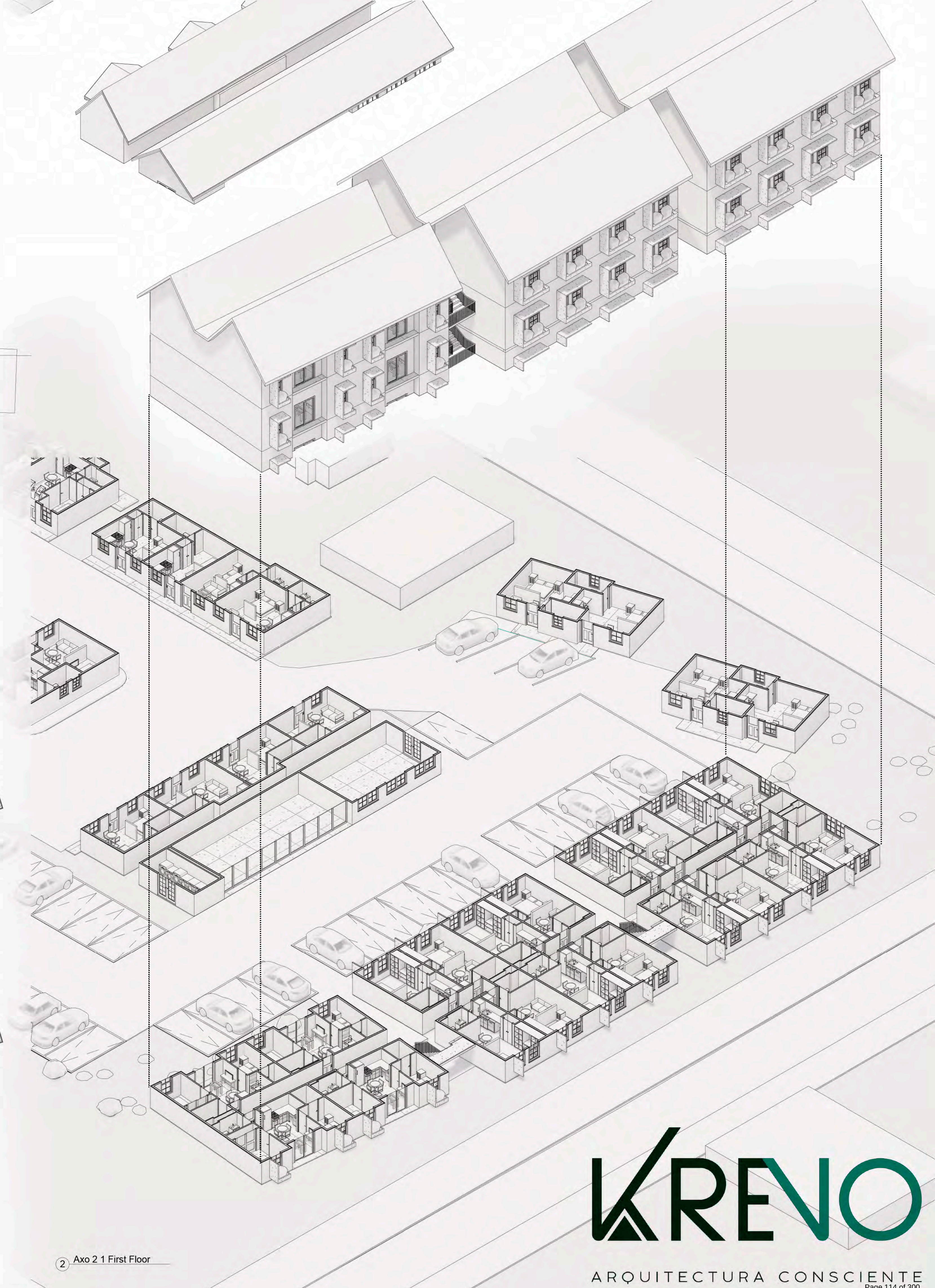
Area Schedule - Summary		
Area type	#	Area
Level 1		
Circulation	5	1190 SF
Common area	6	2411 SF
Existing Building	2	1233 SF
Green area	4	19657 SF
Parking	1	28357 SF
Units	4	14489 SF
	3	
Level 2		
Circulation	5	1189 SF

Area Schedule - Summary		
Area type	#	Area
Units		
	2	9376 SF
	7	
Level 3		
Circulation	4	1016 SF
Units	2	7315 SF
	0	
	1	
Grand total: 117	1	86232 SF
	7	



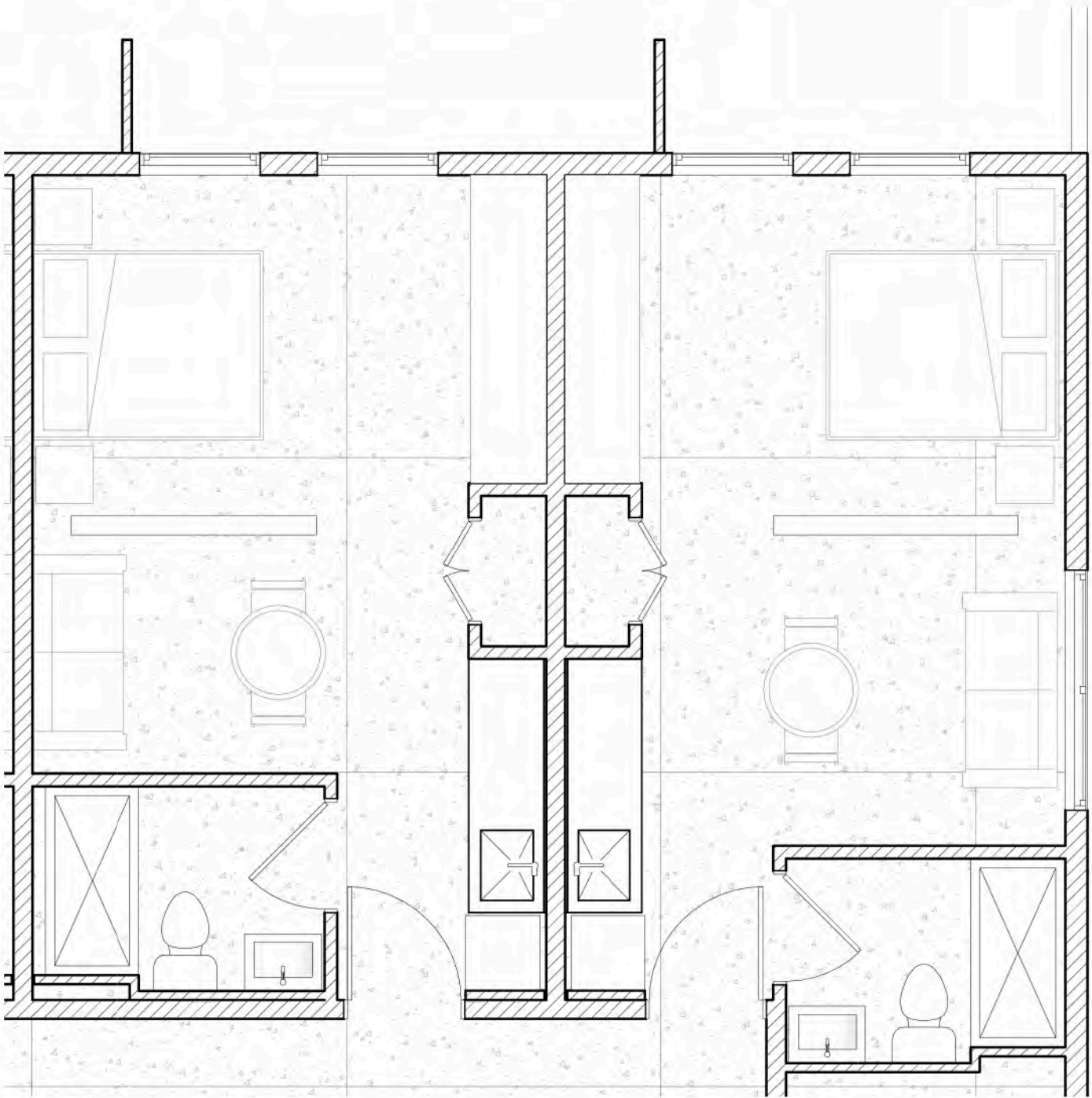
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Pensacola, FL 32505

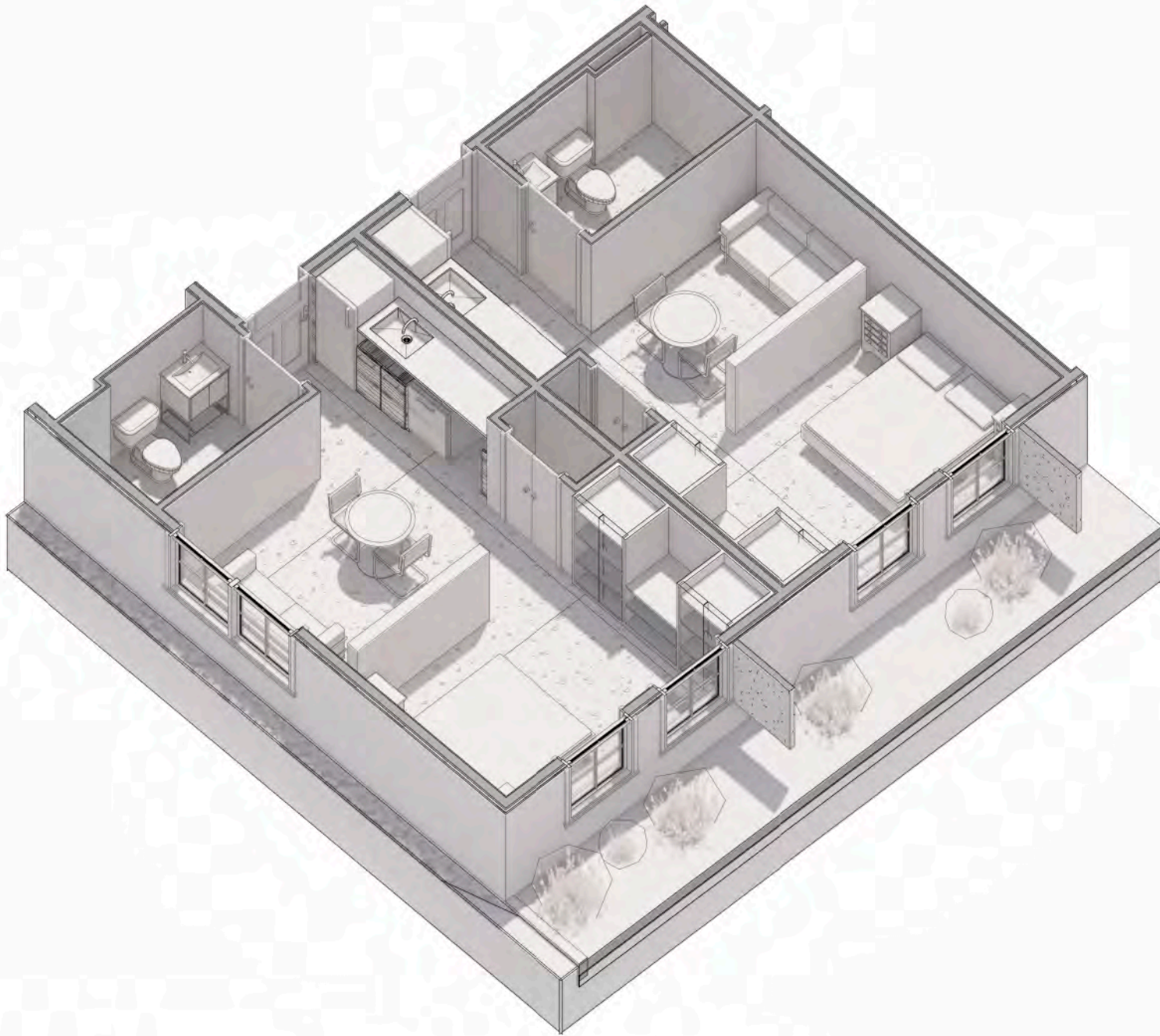


CONCEPT

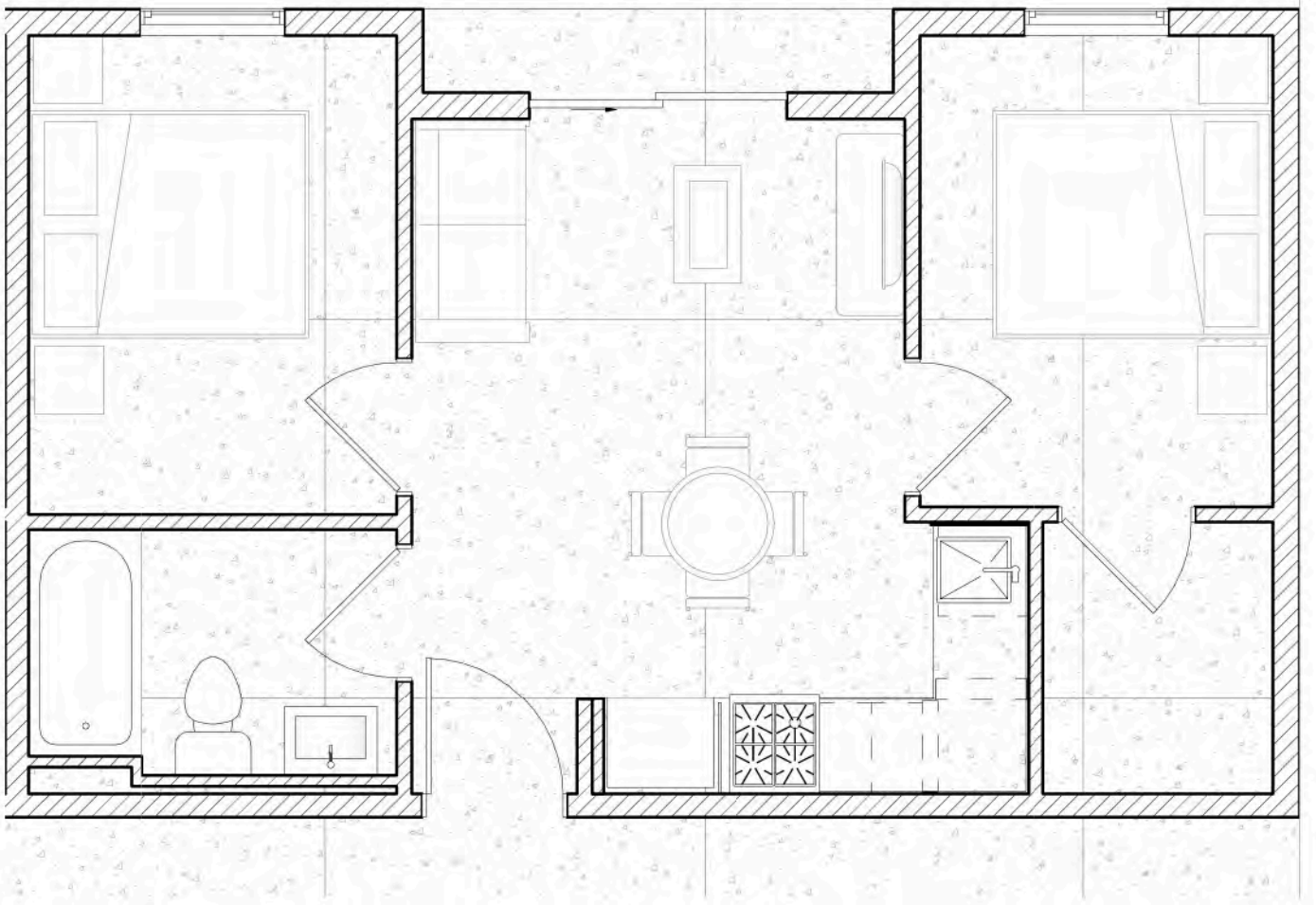
2305 West Cervantes Street
Pensacola, FL 32505



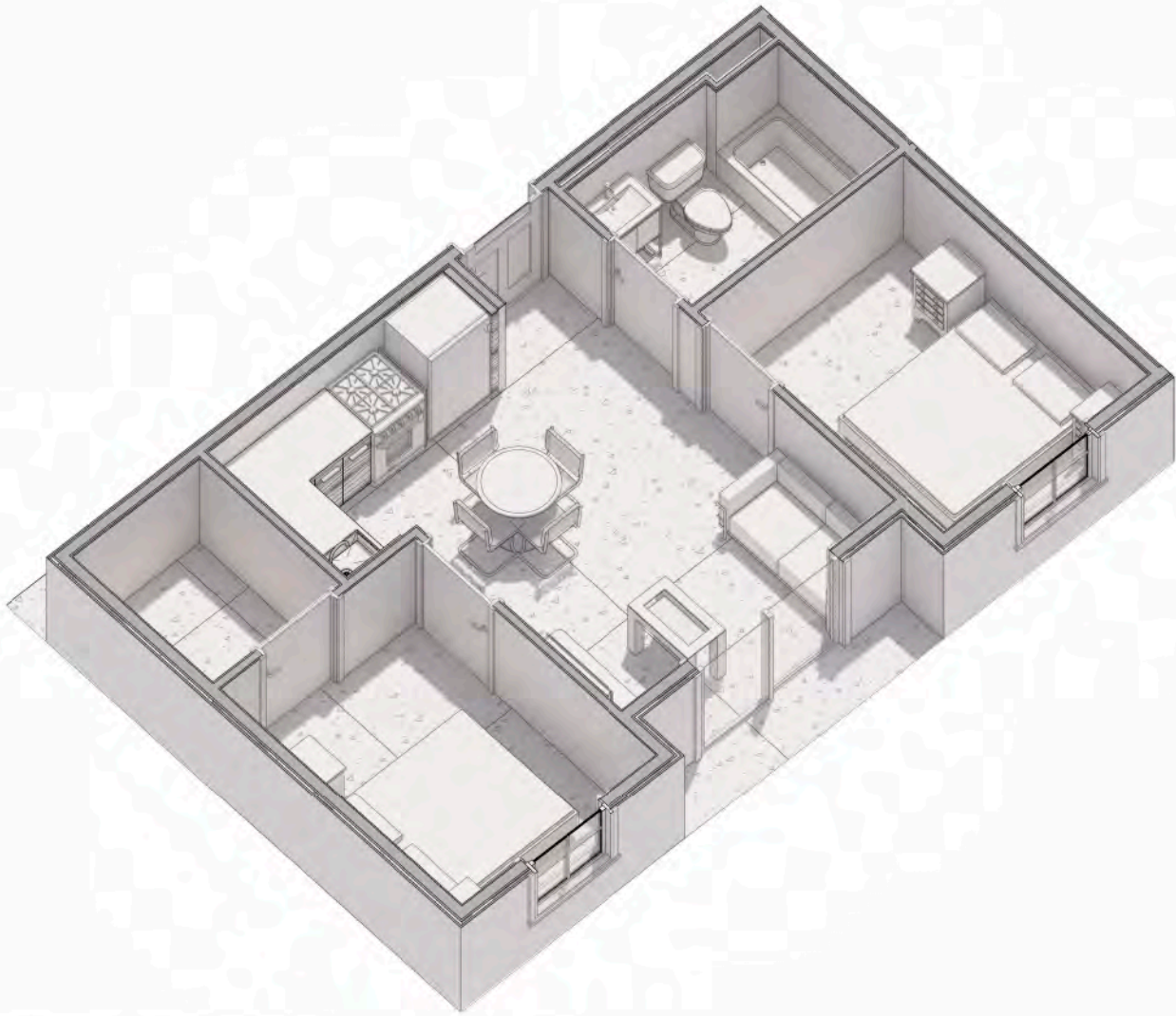
1 Level 1 - Callout - New Studio Units
1/4" = 1'-0"



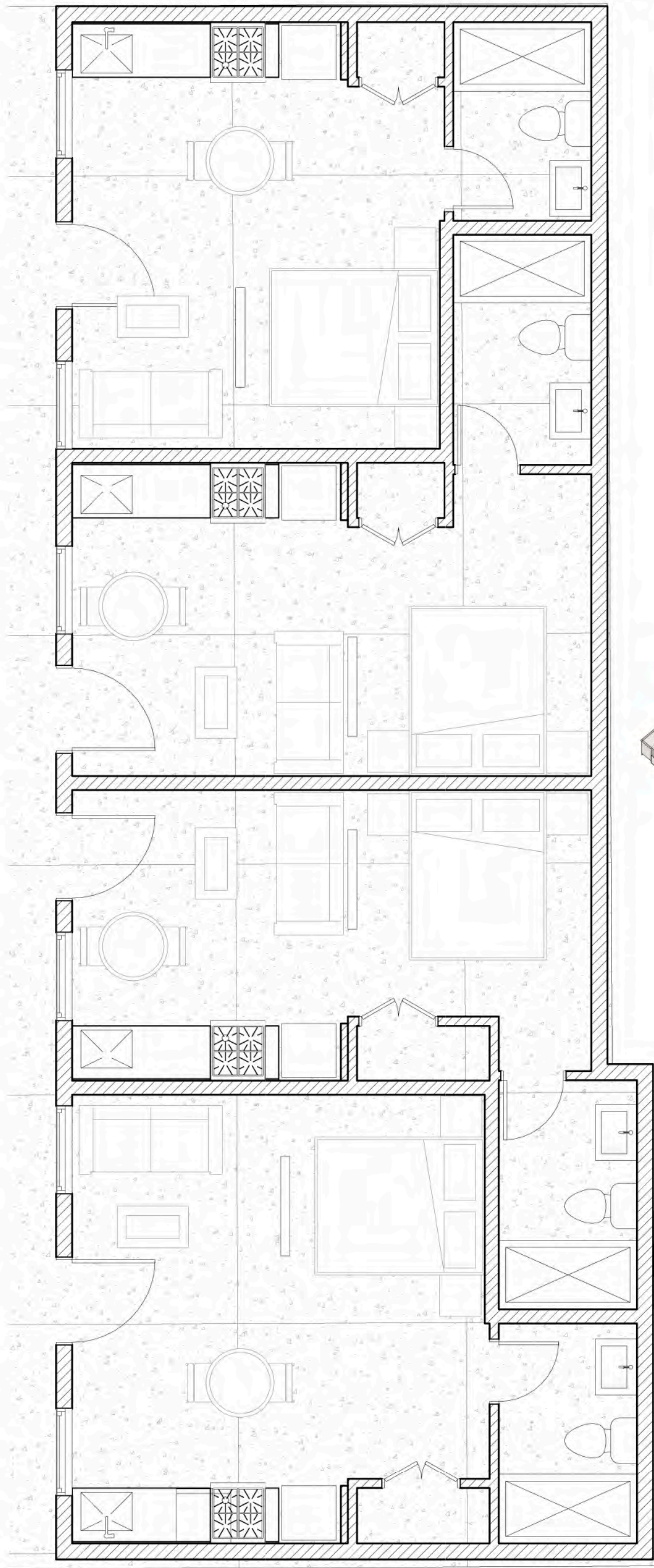
4 3D - New Studio Units



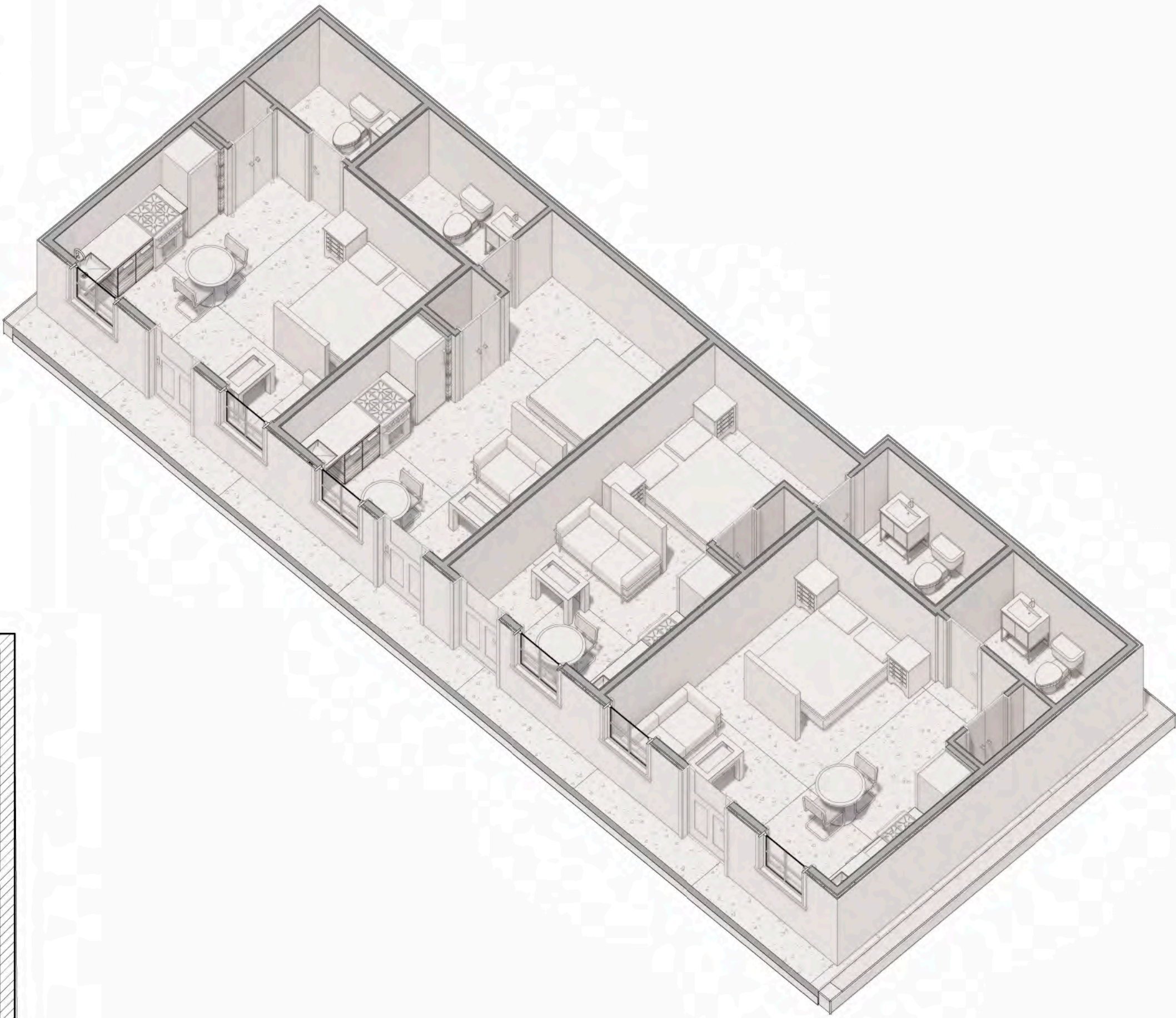
2 Level 1 - Callout - 2 Rooms Apt.
1/4" = 1'-0"



5 3D - 2 Rooms Apt.



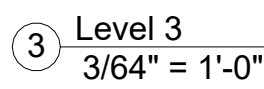
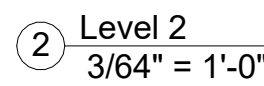
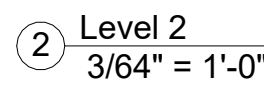
3 Level 1 - Callout - Remodeled units
1/4" = 1'-0"



6 3D - Remodeled units

Level 1		Unit 142	521 SF
Circulation		Unit 143	501 SF
Circulation	174 SF	Unit 144	521 SF
Corridor	365 SF	Level 2	
Corridor	394 SF	Circulation	
Stairs	139 SF	Circulation	174 SF
Stairs	117 SF	Corridor	365 SF
Common area		Corridor	394 SF
Coworking	463 SF	Stairs	139 SF
Gym	518 SF	Stairs	117 SF
Laundry	174 SF	Units	
Laundry	120 SF	Unit 104	438 SF
Longe	760 SF	Unit 201	283 SF
Office	377 SF	Unit 202	283 SF
Existing Building		Unit 203	265 SF
Existing Building	964 SF	Unit 204	264 SF
Existing Building	269 SF	Unit 205	264 SF
Green area		Unit 206	263 SF
Green area	1251 SF	Unit 207	521 SF
Green area	16241 SF	Unit 208	501 SF
Green area	835 SF	Unit 209	521 SF
Green area	1330 SF	Unit 210	501 SF
Parking		Unit 211	323 SF
Area	28357 SF	Unit 212	340 SF
Units		Unit 213	323 SF
Unit 101	379 SF	Unit 214	340 SF
Unit 102	395 SF	Unit 215	340 SF
Unit 103	395 SF	Unit 216	323 SF
Unit 105	278 SF	Unit 217	340 SF
Unit 106	286 SF	Unit 218	323 SF
Unit 107	271 SF	Unit 219	323 SF
Unit 108	323 SF	Unit 220	323 SF
Unit 109	285 SF	Unit 221	323 SF
Unit 110	317 SF	Unit 222	340 SF
Unit 111	285 SF	Unit 223	323 SF
Unit 112	317 SF	Unit 224	323 SF
Unit 113	357 SF	Unit 225	323 SF
Unit 114	286 SF	Unit 226	340 SF
Unit 115	303 SF	Level 3	
Unit 116	304 SF	Circulation	
Unit 117	286 SF	Corridor	365 SF
Unit 118	294 SF	Corridor	394 SF
Unit 119	278 SF	Stairs	139 SF
Unit 120	278 SF	Stairs	117 SF
Unit 121	278 SF	Units	
Unit 122	310 SF	Unit 301	521 SF
Unit 123	310 SF	Unit 302	501 SF
Unit 124	361 SF	Unit 303	521 SF
Unit 125	340 SF	Unit 304	501 SF
Unit 126	323 SF	Unit 305	323 SF
Unit 127	323 SF	Unit 306	340 SF
Unit 128	323 SF	Unit 307	323 SF
Unit 129	340 SF	Unit 308	340 SF
Unit 130	323 SF	Unit 309	340 SF
Unit 131	323 SF	Unit 310	323 SF
Unit 132	323 SF	Unit 311	340 SF
Unit 133	323 SF	Unit 312	323 SF
Unit 134	340 SF	Unit 313	323 SF
Unit 135	340 SF	Unit 314	323 SF
Unit 136	323 SF	Unit 315	323 SF
Unit 137	340 SF	Unit 316	340 SF
Unit 138	323 SF	Unit 317	323 SF
Unit 139	340 SF	Unit 318	323 SF
Unit 140	323 SF	Unit 319	323 SF
Unit 141	501 SF	Unit 320	340 SF

Level 1			Units		2	9376 SF
Circulation	5	1190 SF			7	
Common area	6	2411 SF	Level 3			
Existing Building	2	1233 SF	Circulation		4	1016 SF
Green area	4	19657 SF	Units		2	7315 SF
Parking	1	28357 SF			0	
Units	4	14489 SF			1	
	3		Grand total: 117		7	86232 SF



CONCEPT

2305 West Cervantes Street
Pensacola, FL 32505



CONCEPT

2305 West Cervantes Street
Pensacola, FL 32505



CONCEPT

2305 West Cervantes Street
Pensacola, FL 32505



Studios

Existing Units	30
Future Units	48
Total Units	78

2BR

Existing Units	0
Future Units	12
Total Units	12

Total Units	90
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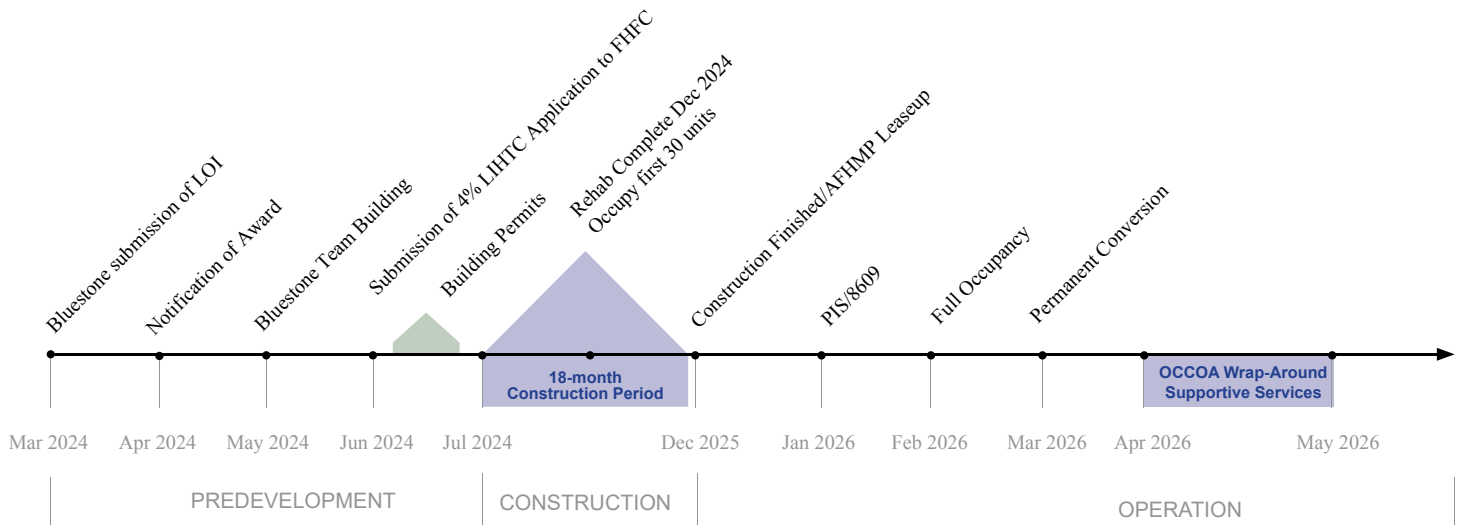
AMI Calculations	% Based on City Req.	Units	Rent Limit
100%AMI or less	30%	23	\$ 1,433
80%AMI or less	20%	16	\$ 1,146
60%AMI or less	20%	16	\$ 859
30% AMI or less	30%	23	\$ 429
Total Units		78	

AMI Calculations	% Based on City Req.	Units	Rent Limit
100%AMI or less	30%	4	\$ 1,843
80%AMI or less	20%	2	\$ 1,146
60%AMI or less	20%	2	\$ 1,105
30% AMI or less	30%	4	\$ 552
Total Units		12	

Yearly Rental Revenue/ Operating Expense Budget		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Revenue														
Studios	100%AMI or less	33,521	33,521	33,521	33,521	33,521	33,521	33,521	33,521	33,521	33,521	33,521	33,521	402,246
	80%AMI or less	17,878	17,878	17,878	17,878	17,878	17,878	17,878	17,878	17,878	17,878	17,878	17,878	214,531
	60%AMI or less	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	160,805
	30% AMI or less	10,039	10,039	10,039	10,039	10,039	10,039	10,039	10,039	10,039	10,039	10,039	10,039	120,463
2BR	100%AMI or less	6,633	6,633	6,633	6,633	6,633	6,633	6,633	6,633	6,633	6,633	6,633	6,633	79,596
	80%AMI or less	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	33,005
	60%AMI or less	2,652	2,652	2,652	2,652	2,652	2,652	2,652	2,652	2,652	2,652	2,652	2,652	31,824
	30% AMI or less	1,987	1,987	1,987	1,987	1,987	1,987	1,987	1,987	1,987	1,987	1,987	1,987	23,846
Total Rental Revenue		88,860	88,860	88,860	88,860	88,860	88,860	88,860	88,860	88,860	88,860	88,860	88,860	1,066,316
Operating Expenses														
	Pest Control	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	32,400
	Management Fees	13,329	13,329	13,329	13,329	13,329	13,329	13,329	13,329	13,329	13,329	13,329	13,329	159,947
	Landscaping	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	13,200
	Business fees/legal fees	500	500	500	500	500	500	500	500	500	500	500	500	6,000
	Leasing Office	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Total Operating Expenses		18,629	18,629	18,629	18,629	18,629	18,629	18,629	18,629	18,629	18,629	18,629	18,629	223,547



MOTOR LODGE PROJECT DEVELOPMENT TIMELINE



Futurue Concept

Bluestone is looking to play a big role in building affordable housing in Pensacola. On the second phase of this project, we are looking to see if the city will be able to acquire the following parcels in order to continue the development of mixed-used affordable housing. The idea is to have first floor retail and the next 3 or 4 floors as residential units. During this phase of our developement we will look to request the 35% affordable housing bonus units to get the biggest and best use of the property.



Parcel ID: 000S009060030173
Acres: 0.1245
Zoned: C-3
Address: 2301 W Cervantes St
Pensacola, FL 32505



Parcel ID: 000S009060006160
Acres: 0.5390
Zoned: C-3
Address: 2215 W Cervantes St
Pensacola, FL 32505

Financing Plan Template

Include anticipated funding sources to be utilized and any financing details, including timelines and subsidy requirements.

Name of Source	Amount	Details (Timeline & Requirements)
Absolute Home Mortgage Corp	\$1,150,000	Rehab Loan; Est. 30 days after contract with the city
City of Pensacola	\$900,000	\$10,000 per unit subsidy; Est. 30 days after contract with the city
Escambia Housing Authority	\$5,500,000	New construction loan for additional 60 units; After reaching full occupancy of rehabbed units, est. 12-24 months after rehab.
Total Sources	\$ 7,550,000	

PROJECT COST	Costs	Comments
<i>Actual Construction Cost</i>		
Demolition	-	
New Units	5,046,660.00	
Rehab of Existing Rental Units	750,000.00	
Accessory Buildings	-	
Recreational Amenities	-	
Rehab of Existing Common Areas	-	
*Other (explain in detail)	-	
A1. Actual Construction Cost	5,796,660.00	
Contingency (explain in detail)	289,833.00	5%
A1.1 Sub-Total	6,086,493.00	
A1.2 General Contractor Fee (___%)	-	N/A
A1.3 Total Actual Construction Cost	6,086,493.00	
<i>Financial Cost</i>		
Construction Loan Credit Enhancement		
Construction +Rehab Loan Interest	365,189.58	6%
Construction Loan Origination Fee	121,729.86	2pts
Bridge Loan Interest	-	
Bridge Loan Origination Fee	-	
Permanent Loan Credit Enhancement	-	
Permanent Loan Origination Fee	15,000.00	2pts
Reserves Required by Lender	-	
A2. Total Financial Cost	501,919.44	
<i>General Development Cost</i>		
Accounting Fees	12,000.00	
Appraisal	10,000.00	*
Architect's Fee – Design	43,884.00	\$2/sqft*
Architect's Fee – Supervision	21,942.00	\$1/sqft*
Builder's Risk Insurance	304,324.65	5%
Building Permit	3,291.30	\$0.15/sqft
Brokerage Fees – Land	-	
Brokerage Fees – Building	-	
Closing Costs – Construction Loan	151,399.80	3% on new units
Closing Costs – Permanent Loan	22,500.00	3% on old units
Engineering Fee	252,333.00	5% on new units
Environmental Fee	50,466.60	1% on new units
Environmental Report	-	
*Impact Fees (list in detail)	-	request waiver for affordable housing purpose
Inspection Fees	10,000.00	
Insurance	2,000.00	
Legal Fees	20,000.00	
Market Study	-	
Marketing/Advertising	-	
Property Taxes	-	
Soil Test Report	5,000.00	geotechnical report
Survey	2,500.00	survey map
Title Insurance	28,983.30	\$5 per 1000
Utility Connection Fee	4,050.00	\$45 on all units
*Other (explain in detail)	-	
*Contingency (7) (explain in detail)	-	
A3. Total General Development Cost	944,674.65	

		Comments
B. Development Cost (A1.3+A2+A3)	7,533,087.09	5% >\$1M
C. Developer's Fee	376,654.35	
ACQUISITION COST OF EXISTING DEVELOPMENTS		
Existing Buildings	-	
Developer Fee on Existing Buildings and New Buildings	376,654.35	
*Other (explain in detail)	-	
D. Total Acquisition Cost	-	
LAND COST	-	
E. Total Land Cost	-	
F. Total Development Cost (B+C+D+E)	7,909,741.44	
Explanation of Other costs. N/A		
Actual Construction Cost - Other	Amount	Description
General Development Cost - Other	Amount	Description
Acquisition Cost - Other	Amount	Description
CONSTRUCTION OR REHABILITATION ANALYSIS		
	Amount	Documentation Attached
A. Total Development Cost	7,909,741.44	
B. Sources		
County Funds	-	
First Mortgage Financing	1,150,000.00	Please see financing template/LOI; Bank letter attached
Second Mortgage Financing	-	
Third Mortgage Financing	-	
Deferred Developer Fee	188,327.18	Half of developer fees will be waived until construction complete
Grants	-	
Equity – Partner's Contribution	200,000	Partners capital to project
Other: Escambia Housing Authority	5,500,000.0	Please see financing template/LOI.
Other: City of Pensacola	900,000.00	Please see financing template/LOI.
Total Sources	7,938,327.18	
C. Financing Shortfall (A minus B)	(28,585.73)	contingency
PERMANENT ANALYSIS		
	Amount	Documentation Attached
A. Total Development Cost	7,909,741.44	
B. Sources	7,038,327.18	
C. City Funds Requested	900,000.00	



ABSOLUTE

Home Mortgage Corp

MORTGAGE PRE-APPROVAL LETTER

March 20, 2024

BORROWER(S): Bluestone Developers LLC / Erick Puma
PROPERTY ADDRESS: 2305 W CERVANTES ST PENSACOLA FL

Congratulations! Based on the financial information provided to me, you are **Pre-Approved** for a residential mortgage loan subject to the following terms and conditions:

LOAN AMOUNT	\$1,150,000	Loan Type:	REHAB
Terms:	360 Months		
Rate:	TBD		

Your pre-approval is good for 60 days! If we do not receive additional documentation within this time, the pre-approval will expire and not be valid. This is not a commitment to lend.

ADDITIONAL REQUIREMENTS FOR FINAL APPROVAL & LOAN COMMITMENT:

- *Satisfactory appraisal and property requirement indicating value and conditions are acceptable*
- *Verification of acceptable payment history*
- *Verification of proposed income*
- *Verification of sufficient assets*
- *Compliance with all standard loan conditions contained in final Mortgage Commitment Letter which is issued prior to closing*

Your actual rate, payment amount and costs could be higher. Economic conditions may cause mortgage rates to fluctuate daily or during the course of a day. Get an official Loan Estimate before choosing a loan.

As your Loan Officer, I will see that all required information is received from you and that your loan is processed, underwritten and closed in a timely manner. If you or your Realtor have any questions or need assistance, please contact right away.

Thank you for your application. I look forward to working with you.

SINCERELY,

Carlos Danies

Mortgage Loan Officer | **NMLS: 1536217**

330 Passaic Ave Fairfield NJ 07004 | 301 Rahway Ave, Elizabeth, NJ 07201

Email: afcg@afcgusa.com Phone: 973-445-0043 | Fax 908.344.3552



Absolute Home Mortgage Corporation, NMLS # 176743, 330 Passaic Ave, Fairfield, NJ 07004, dba Crown Home Mortgage, Direct Access Funding, Lending to Heroes. Phone number 855-888-2462.

A pre-approval does not constitute a loan commitment or guarantee of a loan.

NOTICE OF INTENT TO DISPOSE PROPOSAL REQUIREMENTS AND NEGOTIATION CRITERIA

The City is seeking the following from proposers associated with the Pensacola Motor Lodge located at 2305 West Cervantes Street, Pensacola Florida (also referred to as PML or Project).

Interested parties who wish to be considered for this opportunity must submit a narrative proposal to the City no later than 5/24/2024 at 5:00 PM local time. The narrative proposal shall provide a brief overview of the proposed development program and the development team composition and qualifications as it relates to the City's vision for the project, as outlined in the Request for Letters of Interest (RLOI) issued on 2/23/2024. Please note, parties who have already responded to the RLOI need not resubmit a proposal for consideration.

The City may consider any qualified party making a proposal by 5/24/2024 at 5:00 PM local time for further negotiation. Due to upcoming funding opportunities, time is of the essence. Therefore, additional detail in support of proposals will be required expeditiously. Parties invited for further negotiation will be expected to provide the following final detail, except for conceptual plans, no later than 6/23/2024 at 5:00 PM (31 days after the proposal close date). Conceptual plans will be due no later than 7/23/2024 (60 days after the proposal close date).

Questions, proposals and all submitted materials shall be addressed and submitted in writing to: reddevelopment@cityofpensacola.com.

Please note, the City shall have the authority to take any action determined by the City to be in its best interest or to take no action. Receipt and acknowledgement of any proposals or further detail required for negotiation does not imply or provide the interested party with any right or interest in the property.

Development Entity

Objective: The City is looking for a qualified developer or development team to undertake the planning, permitting/entitlement, and development of affordable, workforce and/or attainable multifamily rental housing on the Property. Conveyance of the property is anticipated to be by long term ground lease. The City intends to subsidize the development by not charging recurring ground lease fees until at least April 1, 2037, which is the date upon which the City bonds used to acquire the site will mature. The terms of any lease payments after that date shall be negotiated between the parties and shall be subject to federal regulations governing the tax-exempt bonds.

Requirements:

- A detailed summary of the developer's experience in the acquisition and development of new affordable, workforce and/or attainable housing projects similar to the vision for the PML, as defined in the Request for Letters of Interest (RLOI) issued on February 23, 2024.
- A brief description of up to 3 most comparable projects that the developer has successfully developed. Provide the name, address, photographs, references. Also include the timing of

development from the submittal of design/plans to governing agency through receipt of Certificate of Occupancy (CO).

- Identify the Developer's master planner, architect, engineer, contractor and/or other independent professionals for the project (as applicable) and confirm the commitment of proposed team members in the form of a letter signed by an authorized executive of each respective company.
- Provide up to 3 comparable projects undertaken by each professional listed. Note for which projects the professional consultants and contractors provided the services on behalf of the developer.
- Brief bios of key team members shall also be submitted along with the information above.

Development Program and Intent

Objective: The City is seeking to understand the Developer's proposed affordable, workforce and/or attainable multifamily housing development concept including rehabilitation to existing structures, new housing structures, and any ancillary amenities and/or commercial uses.

Requirements:

- A final narrative and graphic summary of the development intent for the Property to include conceptual plans, elevations, renderings, etc. Anticipated housing units shall include unit type (mix), unit square footage, households to be served by income cohort (% of AMI), and estimated parking counts. Developers should include as part of their team *experienced* master planners/urban designers and/or architects to ensure that proposed site plans and architectural designs integrate with the existing PML neighborhood context.
- Narrative and/or graphic illustration of site amenities geared at enhancing resident experiences such as community center, fitness area, and/or facilities for social services. The plans should also include proposed improvements to mobility and activating street-fronts through building orientation fronting the primary street (Cervantes Street) and massing, retail, restaurant, community space, fitness center, park, pedestrian forecourt, patio spaces, common areas, patio spaces and/or other similar elements, locations for proposed on-site and off-site parking (including structured parking), as well as, ways in which the development complies with the CRA Urban Design Overlay Standards.

Marketing Experience, Approach, and Management for Project

Objective: The City is looking for Developers and/or management/leasing team members who have broad experience marketing and managing projects of a similar scale and profile.

Requirements:

- A narrative summary of the marketing and management approach and brief bios of the key team members who will oversee the marketing and management effort.
- Developers must demonstrate significant experience in the marketing and management of affordable, workforce and/or attainable multifamily rental housing development of comparable

size and scale. The City desires to understand the underlying marketing approach, vision, and management approach that the developer views for this site.

Project Timing

Objective: The City desires that the Property be developed as soon as possible, consistent with requirements for entitlements, work necessary to create a satisfactory market setting, the conveyance schedule, etc.

Requirements:

- A proposed Project Schedule that outlines timing finalize conveyance, entitlement acquisitions, obtaining regulatory approvals (e.g. site planning, permitting, etc.) and construction, at a minimum. The project schedule shall identify any proposed sequence of phasing.

Financial Requirements

Objective: The City is seeking a Developer with a financial history and capacity to carry out the project consistent with the project schedule.

Requirements:

- Developers are required to provide sufficient evidence that it has, or can secure within a reasonable amount of time, the necessary financial resources to complete the proposed project in a timely fashion and provide long term financial support to the project after built.

Evidence can take the form of the developer's audited or compiled financial statements (signed by an authorized executive of the Development company), signed letters from banks or equity sources with verifiable funds to complete the project on letterhead which detail their experience in working with the developer on similar sized or larger projects and willingness to consider funding the Property subject to successful negotiations and due diligence.

PML Lease and Financial Proforma

Objective: The City is interested in obtaining the optimal development for the Property. The City is seeking to maximize the return on its acquisition investment in the Property.

Requirement:

- A 20-year proforma analysis from the period of site control. The proforma analysis shall include construction/permanent financing assumptions, as well as Developer's proposed equity contribution. The proforma shall also include industry standard operating budget inclusive of estimated real property taxes. The proforma should include any proposed funding from County, State, Federal and/or other entities and agencies supporting the construction and on-going operations of the proposed development.

EVALUATION CRITERIA AND PROCESS

A. Evaluation Criteria

For qualified parties invited for further negotiation, the City will evaluate the merits of each proposed development program and its respective development team relative to each other, as well as, relative to alternate means of fulfilling its objectives for the Property.

A technical review will be performed and submittals evaluated using the following criteria. The review will be referred to City administration for further consideration. The City administration will recommend a development partner to the City of Pensacola Community Redevelopment Agency and/or City Council for final approval. As noted below, adequate experience and capability, which shall be determined at the sole discretion of the City, to successfully undertake the proposed project is a minimum standard which shall be met before any other criterion is considered:

- **Capability of the Proposer and Development Team and Readiness to Proceed.** Primary focus shall be on the experience, qualifications, and financial capability of the proposer (and financial partner, if any is identified and to the extent firmly committed) considering: track record of securing financing for (or itself financing) and developing projects of comparable nature and comparable or greater scale and of high quality in terms of their use and architecture; evidence of management and operating experience of affordable housing and/or mixed income properties; evidence of financing relationships and interest in the proposed project; other information indicating the proposer's financial capacity which it chooses to provide at this stage; reputation in the industry for competence and integrity; and successful public-private development experience, if any. The capability and track record for high quality design of the architect/design team will also be considered. Note that a proposer whose qualifications and financial capacity are not considered adequate to successfully undertake the project will not be considered regardless of its merits on other criteria. Assuming adequacy of qualifications, relative qualifications and capacity will be considered a comparative criterion weighed along with the other criterion.
- **Extent to which the Proposed PML Development Concept Meets the City's Goals.** This would include the proposed project's ability to: 1.) provide the desired percentage of affordable housing units for households of varying income levels as described in the RLOI; establish design criteria that is compatible with existing PML neighborhood uses; 2.) be feasible and delivered in a timely manner, considering likelihood and timing of securing approvals and being financially feasible; and, 3.) generate any other direct or clearly identifiable revenues to the City from the project.
- **Experience Leasing, Managing and Operating Uses Similar to Those Proposed.** This demonstrates the Proposer's ability to lease, manage and operate affordable and/or mixed income properties comparable to the proposed development, including: marketing strategies; residential property leasing and management experience; and, commercial property operation and maintenance as applicable.

- **Financial Return to City.** This would include the revenue and/or fiscal benefits accruing to the City (and CRA) as a result of the project, including but not limited to, proposed land lease fees and property tax generation.



*Disabled Veteran and
Minority Owned Small Business*

Bluestone Developers, LLC
1120 Digital Dr Unit 216
Kissimmee, FL 34744
863-316-7577

May 24, 2024

Ref: Letter of Interest- Affordable Housing Development Project at 2305 W Cervantes St, Pensacola FL 32505

Contact Info: Erick Puma – CFO | 407-353-8956 | Email: Erick@bluestonedeveloper.com

To City of Pensacola CRA Board:

This letter of interest confirms our ongoing interest in the City of Pensacola and its Community Redevelopment Agency's comprehensive redevelopment plan for the former Pensacola Motor Lodge at 2305 West Cervantes Street. We would like to revisit some of the questions that were raised during our video conference.

Possible Consideration – After reviewing the plans, we are contemplating the idea of developing a mixed-use building along the frontage of West Cervantes St. This proposed development could potentially accommodate four retail spaces to cater to the local community's needs. An investor has expressed interest in establishing a mini mart at the site, offering convenient access to essential goods for residents without the need to travel elsewhere. In addition to the mini mart, there is flexibility to include restaurants, boutique stores, or a barber/hair salon within the development. Bluestone is also receptive to the notion of completely demolishing the existing structures and constructing a new building featuring ample parking, green spaces, retail areas, and community spaces equipped with various amenities.

County Funds - In our initial proposal, we requested \$10,000 per unit, amounting to a total of \$900,000, to contribute towards the construction costs of the project. This request was made to assess the city's willingness to support the construction expenses, and if the city decides not to grant the full \$900,000, it will not jeopardize the continuation of our project. For this reason, we are deciding to remove this request from our proposal, it will be reflected on our updated budget.

Parking - There was a parking concern raised regarding our proposal, and upon thorough examination of the parking regulations, it was confirmed that the parking requirement for multifamily residential buildings is 1 space per unit. Initially, our proposal included 62 parking spots, resulting in a shortage of 28 parking spots. After reviewing our plans, we are highly confident that we can address this issue by providing 1 parking spot per unit, thereby meeting the city's code with a total of 90 parking spaces.



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Bedroom Breakdown – We would like to clarify our unit breakdown.

- 30 Studios – These are the former motel rooms that will be renovated.
- 48 One Bedroom – Will be part of the new construction
- 12 Two Bedrooms – Will be part of the new construction

Budget – An updated budget is being attached and submitted.

Timeline – We are submitting an updated timeline to go with our progress.

Predevelopment Phase – Months 0-4

- Notification of Award
- Bluestone negotiates details with the city and get final architectural plans done. We will complete the FHFC and the SAIL application process
- Building Permits
- Submission of 4% LIHTC Application to FHFC

Rehabilitation of Motel Phase – Months 5-8

- Rehab completed
- First 30 studio units available for occupancy
- Break ground on the new construction

New Construction Phase – Months 9-27

- The next 18 month will be the new construction
- New construction to be complete

Final and Operational Phase – Months 28-34

- Lease up
- PIS/8609
- Full Occupancy
- Start of wrap-around support services



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Minority Owned Small Business*

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Kissimmee, FL 34744
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Osceola Counsel on Aging Recent Experience

Buen Vecino - On April 11, 2024, the Osceola Council on Aging (OCA) and its board members, residents of the Osceola community, US Department of Housing & Urban Development (HUD) administrators, elected officials, Osceola County representatives and the City of Kissimmee hosted a celebratory groundbreaking for our upcoming BVL housing development. The project will consist of 61 bedroom apartments for low-income seniors. Reference:

<https://www.wftv.com/news/local/new-affordable-housing-project-break-ground-osceola-county/XDAK5LBVQNFUBISGISQ3HWEKVI/>

North Carolina Project - On September 7, Osceola Council on Aging and HUD North Carolina Field Office hosted a groundbreaking at the former Ford Motor City Company located at 419 South Main Street. The site will have 64 total units that includes two studio apartments, 38 one bedroom apartments, and 24 two bedroom apartments. It will also have a playground, a fitness center, computer room, and laundry. Many resources like congregate meals, history, art, urban gardening, music, and yoga will be available. Reference:

<https://www.salisburypost.com/2023/09/07/ground-breaks-on-affordable-senior-housing-project/>

Buena Ventura Lakes Project – In 2024, Osceola Council on Aging, Osceola County Board of County Commissioners have approved a development for senior housing for up to 16 garden style units.

Ricardo Rangel - Principal/CEO
Bluestone Developers LLC

Studios

Existing Units	30
Future Units	0
Total Units	30

AMI Calculations	% Based on City Req.	Units	Rent Limit
100%AMI or less	30%	9	\$ 1,575
80%AMI or less	20%	6	\$ 1,260
60%AMI or less	20%	6	\$ 945
30%AMI or less	30%	9	\$ 472
Total Units		30	

1BR

Existing Units	0
Future Units	48
Total Units	48

AMI Calculations	% Based on City Req.	Units	Rent Limit
100%AMI or less	30%	14	\$ 1,687
80%AMI or less	20%	10	\$ 1,350
60%AMI or less	20%	10	\$ 1,012
30%AMI or less	30%	14	\$ 506
Total Units		48	

2BR

Existing Units	0
Future Units	12
Total Units	12

AMI Calculations	% Based on City Req.	Units	Rent Limit
100%AMI or less	30%	4	\$ 1,843
80%AMI or less	20%	2	\$ 1,146
60%AMI or less	20%	2	\$ 1,105
30%AMI or less	30%	4	\$ 552
Total Units		12	

Total Units	90
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Yearly Rental Revenue/ Operating Expense Budget													
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Full Year
Revenue													
Studios													
100%AMI or less	14,175	14,175	14,175	14,175	14,175	14,175	14,175	14,175	14,175	14,175	14,175	14,175	170,100
80%AMI or less	7,560	7,560	7,560	7,560	7,560	7,560	7,560	7,560	7,560	7,560	7,560	7,560	90,720
60%AMI or less	5,670	5,670	5,670	5,670	5,670	5,670	5,670	5,670	5,670	5,670	5,670	5,670	68,040
30%AMI or less	4,248	4,248	4,248	4,248	4,248	4,248	4,248	4,248	4,248	4,248	4,248	4,248	50,976
1BR													
100%AMI or less	24,293	24,293	24,293	24,293	24,293	24,293	24,293	24,293	24,293	24,293	24,293	24,293	291,514
80%AMI or less	12,960	12,960	12,960	12,960	12,960	12,960	12,960	12,960	12,960	12,960	12,960	12,960	156,520
60%AMI or less	9,715	9,715	9,715	9,715	9,715	9,715	9,715	9,715	9,715	9,715	9,715	9,715	116,582
30%AMI or less	7,286	7,286	7,286	7,286	7,286	7,286	7,286	7,286	7,286	7,286	7,286	7,286	87,437
2BR													
100%AMI or less	6,633	6,633	6,633	6,633	6,633	6,633	6,633	6,633	6,633	6,633	6,633	6,633	79,596
80%AMI or less	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	33,005
60%AMI or less	2,652	2,652	2,652	2,652	2,652	2,652	2,652	2,652	2,652	2,652	2,652	2,652	31,824
30%AMI or less	1,987	1,987	1,987	1,987	1,987	1,987	1,987	1,987	1,987	1,987	1,987	1,987	23,846
Total Rental Revenue	99,930	99,930	99,930	99,930	99,930	99,930	99,930	99,930	99,930	99,930	99,930	99,930	1,199,160

Applicants may use this section for operating budgets.

PROJECT COST	Costs
<i>Actual Construction Cost</i>	\$7,914,261
Demolition	
New Units	\$5,612,400
Rehab of Existing Rental Units	\$719,190
Accessory Buildings	N/A
Recreational Amenities	Inclusive in Unit Cost
Rehab of Existing Common Areas	N/A
*Other (explain in detail)	N/A
A1. Actual Construction Cost	\$6,331,690
Contingency (explain in detail)	10% Contingency, \$633,169
A1.1 Sub-Total	\$6,964,749
A1.2 General Contractor Fee (12 %)	\$949,512
A1.3 Total Actual Construction Cost	\$7,914,261
Financial Cost	
Construction Loan Credit Enhancement	N/A
Construction Loan Interest	\$830,823
Construction Loan Origination Fee	\$129,630
Bridge Loan Interest	
Bridge Loan Origination Fee	
Permanent Loan Credit Enhancement	N/A
Permanent Loan Origination Fee	
Reserves Required by Lender	\$194,445
A2. Total Financial Cost	\$1,154,898
General Development Cost	
Accounting Fees	\$40,000
Appraisal	\$7,500
Architect's Fee – Design	\$158,252
Architect's Fee – Supervision	
Builder's Risk Insurance	\$246,429
Building Permit	\$250,000
Brokerage Fees – Land	N/A
Brokerage Fees – Building	N/A
Closing Costs – Construction Loan	\$150,000
Closing Costs – Permanent Loan	
Engineering Fee	\$50,000
Environmental Fee	\$40,000
Environmental Report	
*Impact Fees (list in detail)	Requesting Exemption but will have reserves ready
Inspection Fees	\$106,000
Insurance	\$276,941
Legal Fees	\$102,863
Market Study	\$7,500
Marketing/Advertising	\$40,000
Property Taxes	\$0, we will request to get these exempt
Soil Test Report	\$20,000
Survey	\$15,000
Title Insurance	\$175,000
Utility Connection Fee	\$400,000
*Other (explain in detail)	
*Contingency (7) (explain in detail)	5% = \$104,275

A3. Total General Development Cost	\$2,189,759
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B. Development Cost (A1.3+A2+A3)	\$11,258,918
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C. Developer's Fee	\$395,630
---------------------------	------------------

<i>ACQUISITION COST OF EXISTING DEVELOPMENTS (EXCLUDING LAND)</i>	
Existing Buildings	\$0
Developer Fee on Existing Buildings	\$0
*Other (explain in detail)	
D. Total Acquisition Cost	TBD

<i>LAND COST</i>	
E. Total Land Cost	TBD upon negotiation with CRA

F. Total Development Cost (B+C+D+E)	\$11,654,548
--	---------------------

Explanation of Other costs.

Actual Construction Cost - Other	Amount	Description
General Development Cost - Other	Amount	Description
Acquisition Cost - Other	Amount	Description

CONSTRUCTION OR REHABILITATION ANALYSIS

	Amount	Documentation Attached
A. Total Development Cost	\$11,654,548	
B. Sources		
County Funds	\$5,943,819	Tax-Exempt Bonds
First Mortgage Financing		
Second Mortgage Financing		
Third Mortgage Financing		
Deferred Developer Fee	197,815	
Grants		
Equity – Partner's Contribution	\$2,249,640	
Other: FHFC SAIL	\$3,263,274	
Other:		
Total Sources	\$11,654,548	
C. Financing Shortfall (A minus B)	N/A	

PERMANENT ANALYSIS

	Amount	Documentation Attached
A. Total Development Cost	\$11,654,548	
B. Sources	\$11,654,548	
C. City Funds Requested	\$0	

Narrative Summary

Our team, comprised of seasoned professionals with diverse expertise, is uniquely positioned to spearhead the marketing, management, and stewardship of projects akin to the scale and profile of the current development. With a proven track record in architecture, engineering, construction, and legal domains, we bring a wealth of experience. Our collaborative approach ensures seamless coordination and effective execution from conception to completion.

Key Team Members

Llano Architect: With over two decades of experience in architectural design and urban planning, Llano Architect has led numerous projects that have shaped city skylines. Their innovative designs seamlessly blend functionality with aesthetic appeal, ensuring that each project is a testament to our commitment to excellence.

HAMMOND ENGINEERING INC: As a leading engineer in North West Florida with a reputation for precision and ingenuity, HAMMOND ENGINEERING brings our team a wealth of technical expertise. Their keen eye for detail and problem-solving abilities have been instrumental in overcoming complex engineering challenges in our endeavors.

WURM ENVIRONMENTAL: is renowned for its meticulous project management skills and unwavering dedication to quality. With a proven ability to deliver projects on time and within budget, they have earned the trust of clients and partners alike. Their hands-on approach ensures that every aspect of the construction process is executed to perfection.

Nicolas Di Benedetto: our legal expert, brings a wealth of experience in real estate law and project management to the team. Their comprehensive understanding of legal intricacies and regulatory frameworks ensures that all aspects of the project comply with applicable laws and regulations.

Marketing Vision and Management Strategy

Drawing on our collective expertise, we have devised a comprehensive marketing vision and management strategy tailored to the unique requirements of this development. Our approach prioritizes:

Strategic Partnerships: We will forge partnerships with key stakeholders, including local businesses and community organizations, to foster goodwill and drive engagement.

Brand Positioning: Through compelling storytelling and innovative branding initiatives, we will position the development as a premier destination that offers unparalleled quality and lifestyle amenities.

Relationship Management: Each client receives personalized attention and support throughout the project lifecycle, from initial consultation to post-construction services.

By harnessing the collective expertise of our team and adhering to our proven marketing vision and management strategy, we are confident in our ability to deliver exceptional results for this development.

Friday, May 24, 2024

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

Attn:

Proposal for Affordable Housing Development Program

We are pleased to submit our proposal in response to the City of Pensacola's request for a Community Land Trust (CLT) development team to undertake the planning, permitting, and development of affordable and/or mixed-income housing on the specified property in Escambia County, Florida.

Overview of the Proposed Development Program

Our vision is to create a single-family for-sale development made available to households at or below 120% of the Area Median Income (AMI) based on Florida Housing Finance Corporation guidelines. This will be achieved through long-term or perpetual affordability utilizing a minimum 99-year land lease with 99-year renewal. The development will comply with the CRA Urban Design Overlay District standards and complement the urban form and traditional character of the CRA districts.

Development Entity

Development Team Composition and Qualifications

Our development team consists of highly experienced professionals in the acquisition, rehabilitation, and development

of affordable and mixed-income housing projects. Enclosed, we have included brief bios of our key team members and commitment letters from our proposed architect, engineer, contractor, and other professionals.

Development Program and Intent

Proposed Affordable Housing Development Concept

We will have a comprehensive narrative and graphic summary of our development intent for the property, which includes conceptual plans, elevations, and renderings. Our anticipated housing units will cater to various income cohorts (% AMI), and we will provide details on unit types, square footage, and site amenities. The design plans also address multi-modal mobility, street frontages, parking locations, and compliance with the CRA Urban Design Overlay Standards.

Marketing Experience, Approach, and Management

Marketing, Management, and Stewardship Approach

Our team has extensive experience in marketing, managing, and stewarding projects of similar scale and profile. Enclosed is a narrative summary of our approach, along with brief bios of the key team members who will oversee these efforts. We have demonstrated our capability in previous projects and provided details of our marketing vision and management strategy for this development.

Project Timing

Development Timeline

A proposed project schedule outlining the timeline for finalizing conveyance, entitlement acquisitions, regulatory approvals, and construction. This schedule will also identify any proposed sequence of phasing.

Financial Requirements

Financial Capacity and History

We are confident in our financial capacity to complete this project within the proposed timeline.

We are enthusiastic about the opportunity to partner with the City of Pensacola to develop affordable housing that meets the needs of our community while maintaining long-term affordability and adherence to the City's vision and standards. We look forward to discussing our proposal further and answering any questions you may have.

Thank you for your consideration.

Sincerely,

Irwin McCastle

Enclosures:

- Developer Experience Summary
- Comparable Project Descriptions with References
- Commitment Letters from Key Team Members

- Conceptual Plans, Elevations, and Renderings

SERVICE AGREEMENT

WURM ENVIRONMENTAL

This Service Agreement ("Agreement") is entered into as of 5/21/2018 , between:

WURM ENVIRONMENTAL, a company organized and existing under the laws of FLORIDA, with its principal place of business at 1224 E Mallory St Pensacola, FL 32503 (referred to as the "Contractor"),

and

BELUNE DEVELOPMENT, a trust company organized and existing under the laws of FLORIDA, with its principal place of business at 2300 Gulf Beach highway PENSACOLA, FL 32505 (referred to as the "Trust Company").

1. Services:

1.1 The Contractor agrees to provide project management services (the "Services") to the Trust Company in accordance with the terms and conditions of this Agreement.

1.2 The specific scope of the Services to be provided under this Agreement shall be set forth in one or more statements of work ("SOWs") mutually agreed upon by the parties and attached hereto as Exhibit A.

2. Compensation:

2.1 In consideration for the Services rendered by the Contractor, the Trust Company shall pay the Contractor fees as set forth in each applicable SOW.

2.2 The parties agree that the compensation structure, payment terms, and any additional expenses incurred by the Contractor shall be as outlined in the SOWs.

3. Term and Termination:

3.1 This Agreement shall commence on the effective date set forth herein and shall continue until terminated by either party upon [Specify notice period, e.g., thirty (30) days] written notice to the other party.

3.2 Either party may terminate this Agreement immediately upon written notice to the other party in the event of a material breach of any provision of this Agreement by the other party, which breach is not cured within [Specify cure period, e.g., fifteen (15) days] following written notice thereof.

4. Independent Contractor Status:

4.1 The Contractor acknowledges and agrees that it is an independent contractor and not an employee, partner, or joint venture of the Trust Company. The Contractor shall have no authority to bind the Trust Company or incur any obligations on behalf of the Trust Company.

5. Confidentiality:

5.1 The Contractor agrees to keep confidential all proprietary information, trade secrets, and other confidential information of the Trust Company obtained during the course of providing the Services and not to disclose such information to any third party without the prior written consent of the Trust Company.

6. Governing Law:

6.1 This Agreement shall be governed by and construed in accordance with the laws of [State/Country]. Any disputes arising under or related to this Agreement shall be resolved exclusively by the courts located in [State/Country].

7. Entire Agreement:

7.1 This Agreement constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

WURM ENVIRONMENTAL



[Signature]

BELUNE DEVELOPMENT



[Signature]

BELUNE DEVELOPMENT

Non-Disclosure Agreement

This Non-Disclosure Agreement (the "Agreement") is made and entered into as of 15th day of April by and between BELUNE DEVELOPMENT, a company organized and existing under the laws of Florida, with its principal place of business located at 1224 E Mallory Street Pensacola Florida, 32503 (hereinafter referred to as the "Company"), and Nicolas Di Benedetto, an individual (hereinafter referred to as the "Contractor").

WHEREAS, the Company and the Contractor desire to enter into discussions concerning certain proprietary and confidential information relating to the Company's business.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Definition of Confidential Information. For this Agreement, "Confidential Information" shall mean any and all information disclosed by the Company to the Contractor, whether orally or in writing, which is designated as confidential or which reasonably should be understood to be confidential given the nature of the information and the circumstances of disclosure. Without limiting the foregoing, Confidential Information shall include all information concerning the Company's business, products, services, customers, clients, employees, technology, and marketing strategies.
2. Non-Disclosure. The Contractor agrees that he/she shall not disclose, divulge, or reveal to any third party, or use for his/her own benefit or for the benefit of any third party, any Confidential Information without the prior written consent of the Company. The Contractor further agrees to take all reasonable precautions to prevent any unauthorized disclosure of Confidential Information.
3. Exceptions. The obligations outlined in Section 2 shall not apply to any information that: (a) is or becomes publicly available through no fault of the Contractor; (b) is rightfully received by the Contractor from a third party without a duty of confidentiality; (c) is independently developed by the Contractor without reference to or use of the Company's Confidential Information; or (d) is required to be disclosed by law or court order, provided that the Contractor gives the Company prompt notice of such requirement and cooperates with the Company in seeking a protective order or other appropriate remedy.
4. Return of Materials. Upon the termination of the Contractor's engagement with the Company or upon the Company's request, the Contractor shall promptly return to the Company all

documents, records, and other materials containing or relating to Confidential Information, and all copies thereof, in the Contractor's possession, custody, or control.

5. Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of Florida. Any disputes arising under or in connection with this Agreement shall be subject to the exclusive jurisdiction of the courts located in Escambia County, Florida.

6. Jurat.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Belune Development

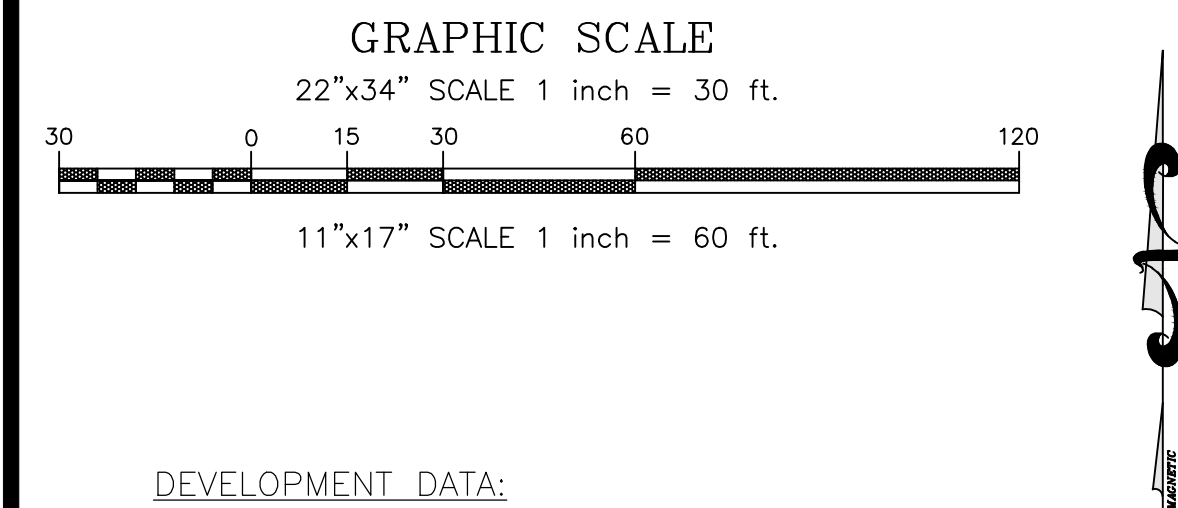
By: 
Authorized Representative

Date: 4/15/2024

[Contractor's Name]

By: 
[Contractor's Signature]

Date: 4/19/2024



DEVELOPMENT DATA:
PARCEL ID #'S: 28-15-30-3103-000-002
ADDRESS: OAKFIELD RD 32503
NUMBER OF EXISTING LOTS: 1
TOTAL BOUNDARY AREA = 72,746 +/- SQUARE FEET (1.67 ACRES)
TOTAL LOTS IN OVERALL BOUNDARY = 14 LOTS
PROPOSED DENSITY OF OVERALL SITE = 8.38 LOTS PER ACRE
ZONED: MDR
FLU: MU-U

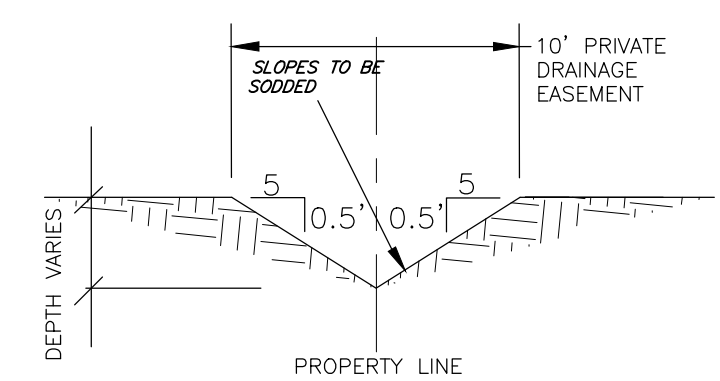
BUILDING REQUIREMENTS FOR MDR ZONE:
-DENSITY: A MAXIMUM DENSITY OF TEN DWELLING UNITS PER ACRE.
-FLOOR AREA RATIO: A MAXIMUM FLOOR AREA RATIO OF 1.0 WITHIN THE MU-S FUTURE LAND USE CATEGORY AND 2.0 WITHIN MU-U.
-STRUCTURE HEIGHT: A MAXIMUM STRUCTURE HEIGHT OF 45 FEET.
-LOT WIDTH: FOR A NEW LOT WITH A MAJORITY OF ITS FRONTAGE ALONG THE OUTSIDE OF A STREET RIGHT-OF-WAY CURVE WHOSE RADIUS IS 100 FEET OR LESS, THE MINIMUM LOT WIDTH AT THE RIGHT-OF-WAY IS 40 PERCENT OF THE RADIUS LENGTH, BUT NOT LESS THAN 20 FEET. THE MINIMUM WIDTH FOR ALL OTHER NEW LOTS IS AS FOLLOWS:
A. SINGLE-FAMILY DETACHED, FIFTY FEET AT THE STREET RIGHT-OF-WAY FOR SINGLE-FAMILY DETACHED DWELLINGS.
B. TWO-FAMILY, EIGHTY FEET AT THE STREET RIGHT-OF-WAY OR TWO-FAMILY DWELLINGS.
C. MULTI-FAMILY AND OTHER, EIGHTY FEET AT THE STREET RIGHT-OF-WAY FOR TOWNHOUSE GROUPS AND BOARDING OR ROOMING HOUSES. NO MINIMUM LOT WIDTH REQUIRED BY ZONING FOR OTHER USES.
-LOT COVERAGE: MINIMUM PERVIOUS LOT COVERAGE OF 30 PERCENT (70 PERCENT MAXIMUM SEMI-IMPERVIOUS AND IMPERVIOUS COVER) FOR ALL USES.
-STRUCTURE SETBACKS:
FRONT AND REAR, TWENTY FEET IN THE FRONT AND REAR.
-SIDES: TEN FEET ON EACH SIDE OF A GROUP OF ATTACHED TOWNHOUSES, ON EACH SIDE OF ALL OTHER STRUCTURES, FIVE FEET OR TEN PERCENT OF THE LOT WIDTH AT THE STREET RIGHT-OF-WAY, WHICHEVER IS GREATER, BUT NOT REQUIRED TO EXCEED 15 FEET.
-CORNER LOTS: THE FRONT SETBACK SHALL APPLY TO THE FRONTAGE OF THE ASSIGNED STREET ADDRESS AND THE SIDE SETBACK SHALL APPLY TO ANY STREET FRONTAGE THAT ADJOINS THE ADDRESSED FRONTAGE.

LEGAL DESCRIPTION:
BEG AT SE COR LT 2 S 59 DEG 00 MIN W ALG S U 1150 06/100 FT TO PT IN NELY R/W U L & N RR N 31 DEG 00 MIN W ALG R/W 1636 94/100 FT N 11 DEG 21 MIN E ALG A U PARALLEL TO & 33 FT DISTANT FROM (AS MEASURED AT RT ANGLES) W U LT 415 11/100 FT TO POB THENCE CONTINUE LAST COURSE 200 FT S 78 DEG 39 MIN E 363 73/100 S 11 DEG 21 MIN W 200 FT N 78 DEG 39 MIN W 363 73/100 FT TO POB PART LT 2 PLAT DB P PAGE 251 OR 774 P 280 OR 6015 P 1355

FLOOD ZONE DATA

THE SUBJECT PROPERTY SHOWN HEREON IS LOCATED IN FLOOD ZONE X (MINIMAL RISK AREAS OUTSIDE THE 1-PERCENT AND 2-PERCENT ANNUAL-CHANCE FLOODPLAINS. NO BFE'S OR BASE FLOOD DEPTHS ARE SHOWN WITHIN THESE ZONES), AS DETERMINED FROM THE FEDERAL EMERGENCY MANAGEMENT AGENCY FLOOD INSURANCE RATE MAP OF ESCAMBIA COUNTY, FLORIDA, COMMUNITY 120080, FIRM MAP PANEL NUMBER 12033C0380G, MAP REVISION DATED SEPTEMBER 29, 2006.

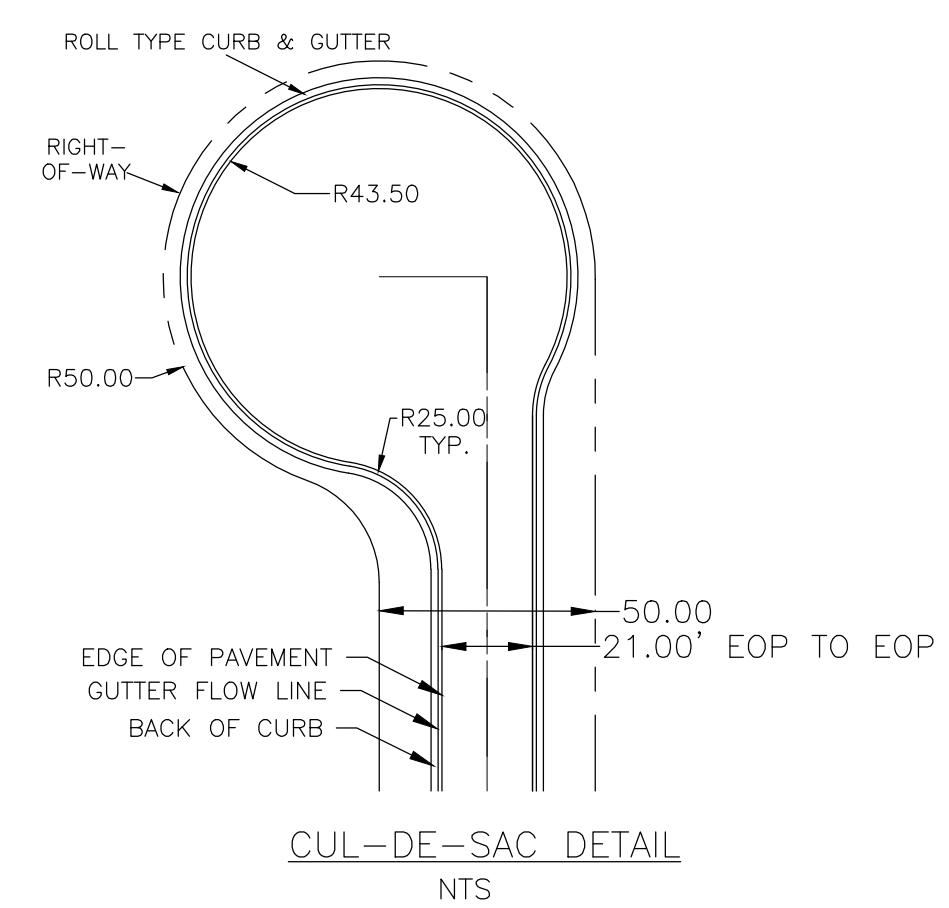
FLOOD ZONE(S)	NFP COMMUNITY NUMBER	MAP NUMBER	PANEL NUMBER(S)	SUFFIX	MAP REVISION DATE
X	120080	12033C	0380	G	SEPTEMBER 29, 2006



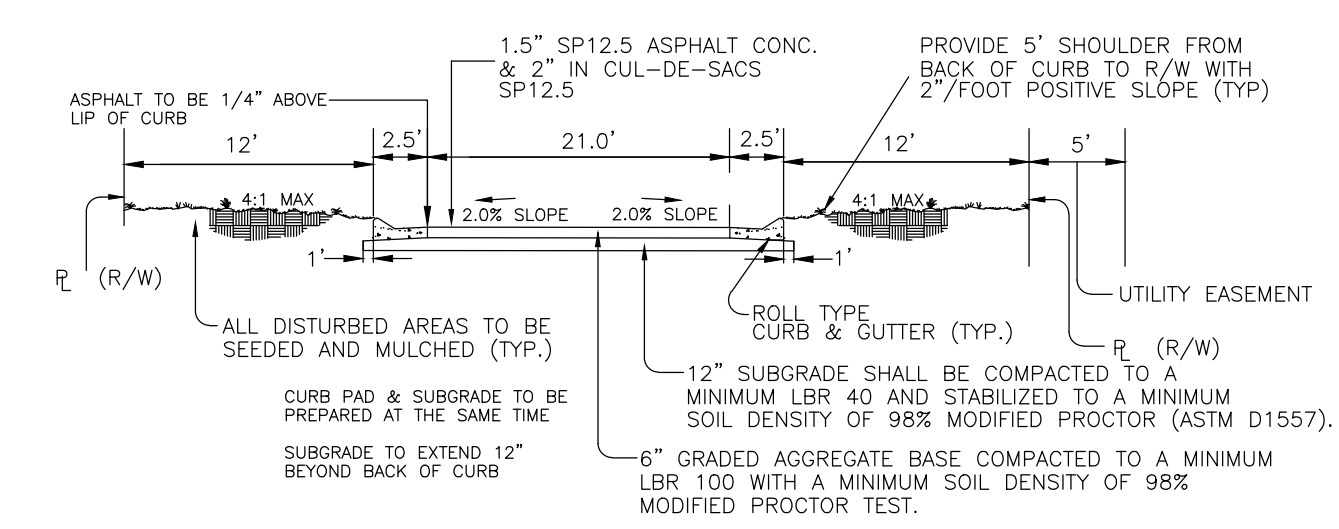
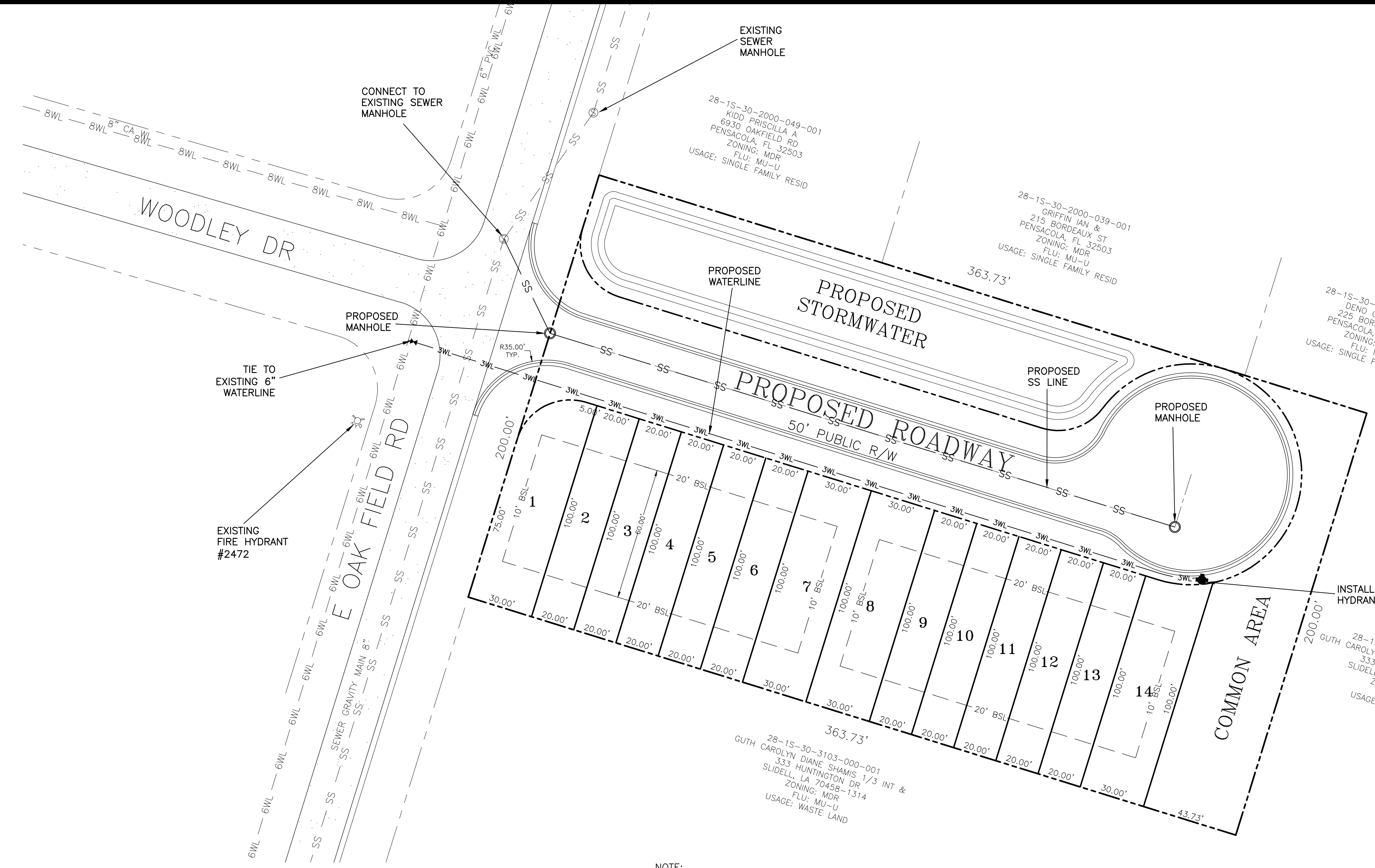
TYPICAL SWALE X-SECTION
NTS

NOTE: DRAINAGE CONVEYANCE SWALES ARE TO BE BUILT BY THE CONTRACTOR. SIDE YARD SWALES ARE TO BE BUILT BY THE HOMEOWNER.

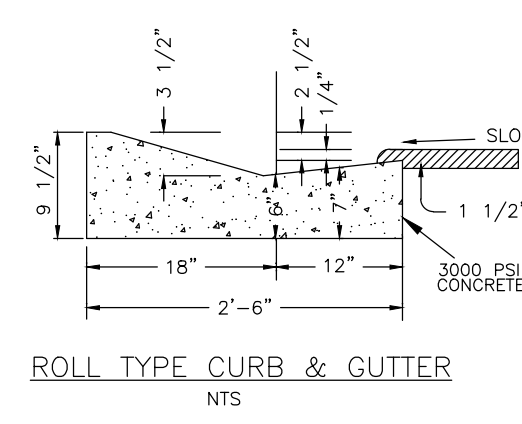
NOTE: PRIVATE SIDE YARD EASEMENTS SHALL NOT BE BLOCKED BY ANYTHING THAT MAY HINDER THE FLOW OF STORMWATER (I.E. A/C UNITS, ETC.).



CUL-DE-SAC DETAIL
NTS



TYPICAL STREET AND GUTTER
CROSS-SECTION
NTS

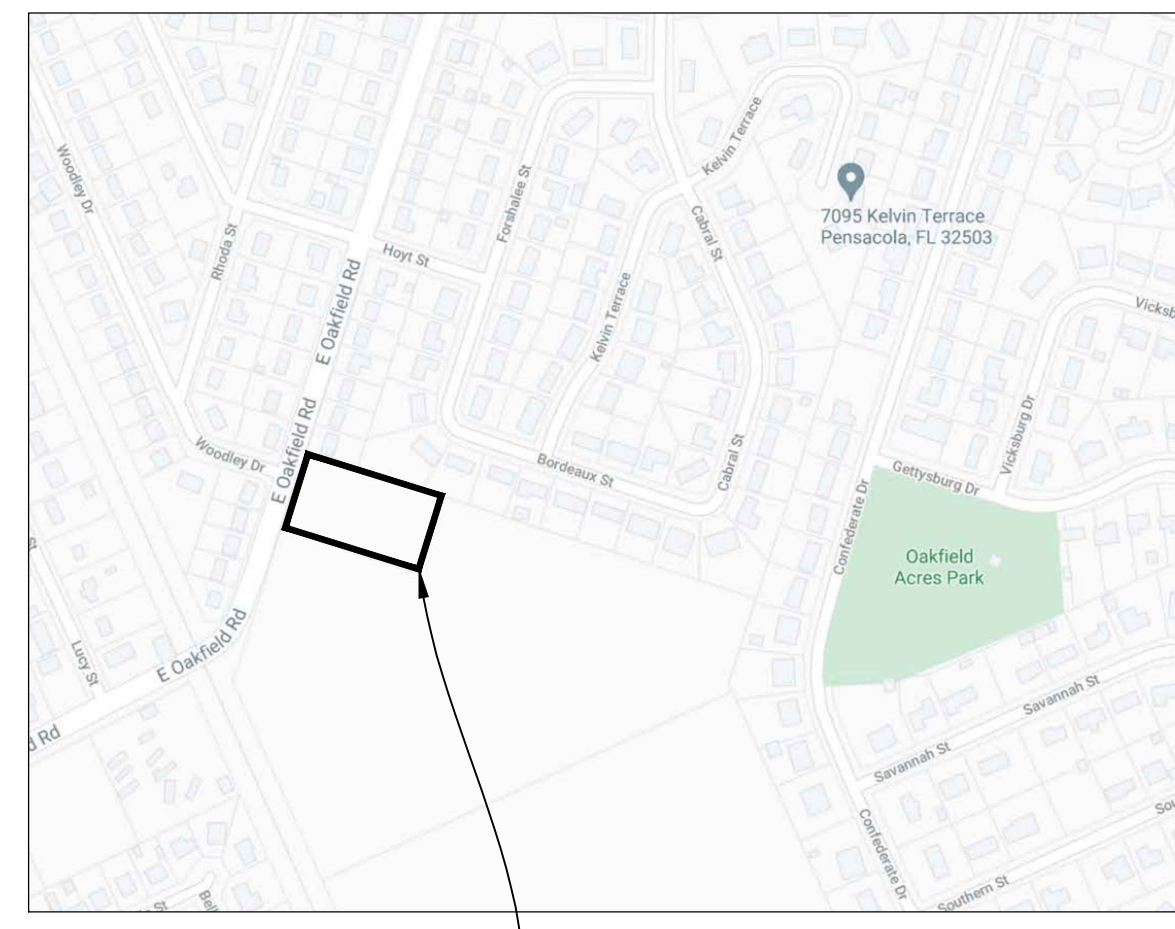


ROLL TYPE CURB & GUTTER
NTS

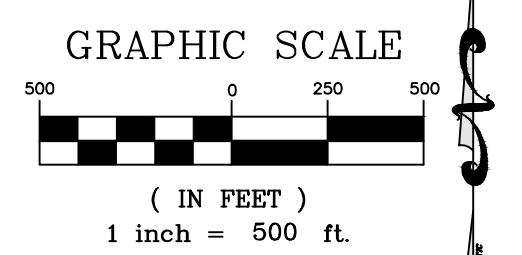
NOTE:
ALL ADEQUATE TREE PROTECTION MEASURES AND BARRICADES SHALL BE INSTALLED PRIOR TO SITE DISTURBANCE AND MAINTAINED IN GOOD WORKING ORDER UNTIL PROJECT IS COMPLETE AND SITE BECOMES STABILIZED.

NOTE:
TREE REMOVAL PRIOR TO CONSTRUCTION OF THE DWELLING SHALL ONLY BE ALLOWED AFTER COUNTY ISSUANCE OF A BUILDING PERMIT FOR THE DWELLING OR A SEPARATE TREE REMOVAL PERMIT.

- NOTES:
- THE HOMEOWNER SHALL INSTALL PRIOR TO THE START OF CONSTRUCTION AND MAINTAIN DURING CONSTRUCTION ALL SEDIMENT CONTROL MEASURES AS REQUIRED TO RETAIN ALL SEDIMENTS ON THE SITE. IMPROPER SEDIMENT CONTROL MEASURES MAY RESULT IN CODE ENFORCEMENT VIOLATION.
 - ANY DAMAGE TO EXISTING ROADS DURING CONSTRUCTION WILL BE REPAIRED BY THE HOMEOWNER PRIOR TO FINAL "AS-BUILT" SIGN OFF FROM THE COUNTY.
 - ALL LOTS SHALL REQUIRE A CERTIFIED BOUNDARY SURVEY AT THE TIME OF PURCHASE.
 - ALL DISTURBED AREAS WHICH ARE NOT PAVED SHALL BE STABILIZED WITH SEEDING, FERTILIZER AND MULCH, HYDROSEED AND/OR SOD.
 - NOTIFY SUNSHINE UTILITIES 48 HOURS IN ADVANCE PRIOR TO DIGGING WITHIN R/W: 1-800-432-4770.
 - NO DEVIATIONS OR REVISIONS FROM THESE PLANS BY THE CONTRACTOR SHALL BE ALLOWED WITHOUT PRIOR APPROVAL FROM BOTH THE DESIGN ENGINEER AND THE ESCAMBIA COUNTY. ANY DEVIATIONS MAY RESULT IN DELAYS IN OBTAINING A CERTIFICATE OF OCCUPANCY.
 - HOMEOWNER SHALL CONTROL STORMWATER DURING ALL PHASES OF CONSTRUCTION.
 - HOME EQUIPMENT (I.E. AC UNITS) SHALL NOT HINDER THE PROPER INSTALLATION AND/OR FUNCTION OF SIDE YARD SWALES.
 - ALL FENCES IN PRIVATE DRAINAGE EASEMENTS ALONG LOT PROPERTY LINES SHALL BE INSTALLED NOT TO IMPEDE STORMWATER FLOW.
 - MINIMUM DISTANCE BETWEEN FINISHED FLOOR ELEVATIONS (EXCLUDING BASEMENT) AND FINISHED GRADE OF LOTS SHALL BE AS PER CURRENT BUILDING CODE.
 - PER ESCAMBIA COUNTY LDC (& OTHER JURISDICTIONAL AGENCY REQUIREMENTS), ANY PROPOSED IMPACTS TO WETLANDS/ESLS WILL REQUIRE AVOIDANCE & IMPACT MINIMIZATION EFFORTS TO BE DEMONSTRATED & POTENTIAL PERMITTING & MITIGATION REQUIRED THROUGH THE AGENCIES EXERCISING JURISDICTION PRIOR TO PROJECT INITIATION.
 - LAND DISTURBING ACTIVITIES, INCLUDING ANY PLACEMENT OF FILL MATERIALS, GRADING OF LAND, EXCAVATION, ETC. &/OR TREE REMOVAL ON RESIDENTIAL LOTS PRIOR TO CONSTRUCTION OF A SINGLE-FAMILY OR TWO DWELLING SHALL ONLY BE ALLOWED AFTER COUNTY ISSUANCE OF A BUILDING PERMIT FOR THE DWELLING OR SEPARATE COUNTY PERMITTING.
 - WORK WITHIN MERS SETBACK SUBJECT TO ESCAMBIA COUNTY LDC REQUIREMENTS THAT REQUIRE SHORELINES OF ESTUARINE SYSTEMS TO BE RETAINED IN THEIR NATURAL STATE TO THE EXTENT POSSIBLE (LDC: ARTICLE 5-SEC 4-5.5(X)(3)).



PROJECT
LOCATION



REVISIONS

NO.	DATE

THIS DRAWING IS THE PROPERTY OF HAMMOND ENGINEERING, INC. AND IS NOT TO BE REPRODUCED IN WHOLE OR IN PART. IT IS NOT TO BE USED ON ANY OTHER PROJECT AND IS TO BE RETURNED UPON REQUEST.

HE

HAMMOND ENGINEERING, INC.
FLORIDA AUTHORIZATION NO. 9130
ALABAMA AUTHORIZATION NO. 3277
3802 NORTH "S" STREET
PENSACOLA, FLORIDA 32505
850 434-2603
FAX 850-434-2650
TOM@SELANDESIGN.COM

PRELIMINARY
LAYOUT FOR
MCCASTLE
TOWNHOMES

DRAWN BY: DY
DESIGNED BY: TGH/ARS
CHECKED BY: TGH
DATE: APRIL 2022
SCALE: AS SHOWN
NOT RELEASED FOR
CONSTRUCTION

BY: DATE:

PROJECT NO: 22-037
SHEET: 1 OF 1

FLORIDA
ESCAMBIA COUNTY



**PROPOSAL FOR REDEVELOPMENT OF FORMER PENSACOLA
MOTOR LODGE FOR ATTAINABLE MULTIFAMILY RENTAL
HOUSING AT 2305 WEST CERVANTES STREET, PENSACOLA
FLORIDA 32505**



SMITH & HENZY
AFFORDABLE GROUP



**City Hall 222 West Main Street, 3rd Fl Pensacola, Florida 32502
Attention: CRA Division Manager**

June 19, 2024

Pensacola Community Redevelopment Agency
222 West Main Street, 3rd Floor, Pensacola, FL 32502

To Whom it May Concern:

Smith & Henzy Affordable Group is thrilled to hear that the Pensacola Community Redevelopment Agency is open to further negotiation regarding our plans to develop affordable housing on the site of the former Pensacola Motor Lodge. This pivotal project aligns perfectly with our mission to provide high-quality, affordable housing and to contribute positively to the communities we serve. Given the upcoming Florida Housing Finance Corporation (FHFC) funding opportunities, we are confident that this development will qualify for multiple funding sources, furthering the CRA's goal of creating much-needed affordable housing while revitalizing the neighborhood.

The first opportunity for funding that we aim to pursue is Live Local Funding for Multifamily Developments near Military Installations. This is a truly special opportunity to demonstrate our support for active-duty military personnel, homeless veterans, and those honorably discharged. Our development is committed to reserving at least 50% of the units for individuals meeting this criterion. Pensacola, being home to NAS Pensacola, is uniquely positioned to benefit from this funding opportunity. We believe this initiative will not only provide housing but also foster a sense of community and stability for those who have served our country.

In addition to Live Local Funding, we are exploring several other funding avenues to ensure the project's success. Our strategic location, coupled with a robust funding plan, will enable us to create a development that stands as a pillar of the community for the next century. We envision this project as more than just housing; it will be a cornerstone for community engagement and growth, offering amenities and services that cater to the needs of its residents.

Our firm has a proven track record of success in the affordable housing sector. We have developed and currently own over 5,000 affordable housing units nationwide, the majority

of which are in Florida. Our deep understanding of local regulations and our commitment to excellence ensures that we can swiftly and effectively deliver our vision for the Motor Lodge site. Our team is adept at navigating the complexities of affordable housing development, from securing funding to managing construction and ensuring compliance with all local, state, and federal regulations.

Moreover, our approach to development is holistic. We don't just build homes; we build communities. Our developments often include community centers, green spaces, and social services that enhance the quality of life for our residents. We believe that affordable housing should not equate to a compromise in quality or amenities, and our projects reflect this belief.

We are excited about the potential of this project to make a lasting impact on the Pensacola community. By creating a vibrant, supportive environment for our residents, we aim to foster economic growth, improve social outcomes, and contribute to the overall well-being of the neighborhood.

We look forward to continuing our collaboration with the Pensacola Community Redevelopment Agency and are eager to bring this transformative project to fruition. Thank you for considering our proposal, and we are available to discuss any aspects of our plan in further detail at your convenience.

Sincerely,



Darren Smith

President

98 SE 6th Ave Delray Beach, FL 33444

Smith & Henzy Affordable Group Inc.

(561) 859-8520

dsmith@smithhenzy.com

Development Team

Smith & Henzy Affordable Group ("Smith & Henzy") was founded in 2014 by Darren Smith and Timothy Henzy. Darren Smith, a former banker at Citi Community Capital, brought extensive experience in financing affordable housing developments. Timothy Henzy, previously working as a developer's consultant on a project funded by Citi Community Capital, complemented this expertise with his practical development experience. Since its inception, Smith & Henzy has developed and now owns over 5,000 units across Florida, New York, Connecticut, and Michigan, specializing in securing low-income housing tax credits (LIHTC).

Acquisition and Development Expertise

Smith & Henzy excels in the acquisition and development of new affordable, workforce, and attainable housing projects. Our comprehensive approach includes identifying strategic locations, securing necessary funding, and engaging with community stakeholders to ensure each project meets the needs of its residents and the broader community.

Key Projects

1. **Island Cove, Delray Beach, FL:** This 60-unit property provides housing for low- and middle-income residents, including teachers, firefighters, and other essential workers. Island Cove features community amenities designed to support and enhance the lives of its residents, such as a pool, basketball court, community center, playground, and green spaces. We worked closely with the local Community Redevelopment Agency (CRA) to secure \$1 million in funding assistance for this project, demonstrating our ability to leverage local resources to benefit the community. This project underscores our commitment to providing affordable housing for those who serve and support our communities.
2. **Lofts on Lemon, Sarasota, FL:** A 128-unit affordable housing project located in downtown Sarasota, with 76 units designated for tax credit housing and 52 units for workforce housing. This development houses many teachers and is designed to address the housing needs of educators and other essential workers. We collaborated with multiple non-profits and the Sarasota Housing Authority (SHA) to bring this project to fruition. The development includes on-site professional development facilities and community spaces, fostering a supportive community environment.
3. **Amaryllis Park Place, Sarasota, FL:** This 84-unit property provides independent living for senior residents. The development includes amenities and services that

cater specifically to seniors, with management providing activities and support to enhance the residents' quality of life. This project highlights our dedication to creating communities that support the well-being and independence of senior citizens.

Securing Funding and Partnerships

Smith & Henzy specializes in securing LIHTC, having participated in the creation of over 3,500 new-construction LIHTC units. Our expertise in this area ensures we can quickly secure the necessary funding for developments. Our success is also attributed to our strategic partnerships with non-profits and local governments, either through housing authorities or agreements on land and funding opportunities. These partnerships allow us to tailor our projects to the specific needs of the communities we serve.

Strategic Partnerships:

1. *Non-Profit Organizations:* We partner with various non-profit organizations to enhance the scope and impact of our projects. For instance, in the Lofts on Lemon project, we worked with multiple non-profits representing teachers who provided grant money to create affordable units for nearby teachers that were priced out of the downtown Sarasota area. Additionally, we are in conversations with multiple veteran and active military support groups to partner with on this development. These partnerships will enhance the support network for our development, providing specialized services and resources for veterans and active-duty military personnel.
2. *Local Governments and Housing Authorities:* Our partnerships with local governments and housing authorities are crucial in navigating the regulatory landscape and securing necessary approvals and funding. For example, in the Island Cove project, we worked closely with the Delray Beach CRA to secure \$1 million in funding assistance. These relationships ensure our projects align with local housing policies and community needs, facilitating smoother project implementation and greater community support. In addition, the ability to access project-based vouchers provides crucial support for the economics of the deal while enabling low-income residents the potential to live in high-quality apartments. We anticipate that homeless veterans will benefit most from this, as they would only need to pay 30% of their income for these units, as long as they make under 50% AMI.
3. *Community Engagement:* Engaging with the local community is a cornerstone of our development process. We conduct extensive outreach to gather input from residents, community leaders, and other stakeholders. This feedback informs our project designs and helps us create developments that truly meet the needs of the community. For the Amaryllis Park Place project, we involved senior residents in

the planning process to ensure the development provided the necessary amenities and support services.

Community Engagement and Collaboration

Understanding the importance of local input, Smith & Henzy prioritizes listening to the needs and requests of local governments and community members. Since our initial request for the Pensacola Motor Lodge site, we have engaged with numerous city officials, incorporating their valuable feedback into our proposal. This collaborative approach ensures our developments align with the city's goals and community aspirations. We look forward to hopefully having the opportunity to work hand in hand with the City of Pensacola to further their goals and provide a spark for the community.

Track Record of Success

Smith & Henzy has a proven track record of developing high-quality, affordable housing that serves diverse populations and enhances community well-being. Our projects are characterized by sustainable building practices, community-centric amenities, and long-term viability.

Smith & Henzy Affordable Group's extensive experience in the acquisition and development of affordable, workforce, and attainable housing projects positions us uniquely to deliver on the vision for the former Pensacola Motor Lodge site. Our commitment to quality, community engagement, and sustainable development ensures that our projects will serve as valuable community assets for decades to come.

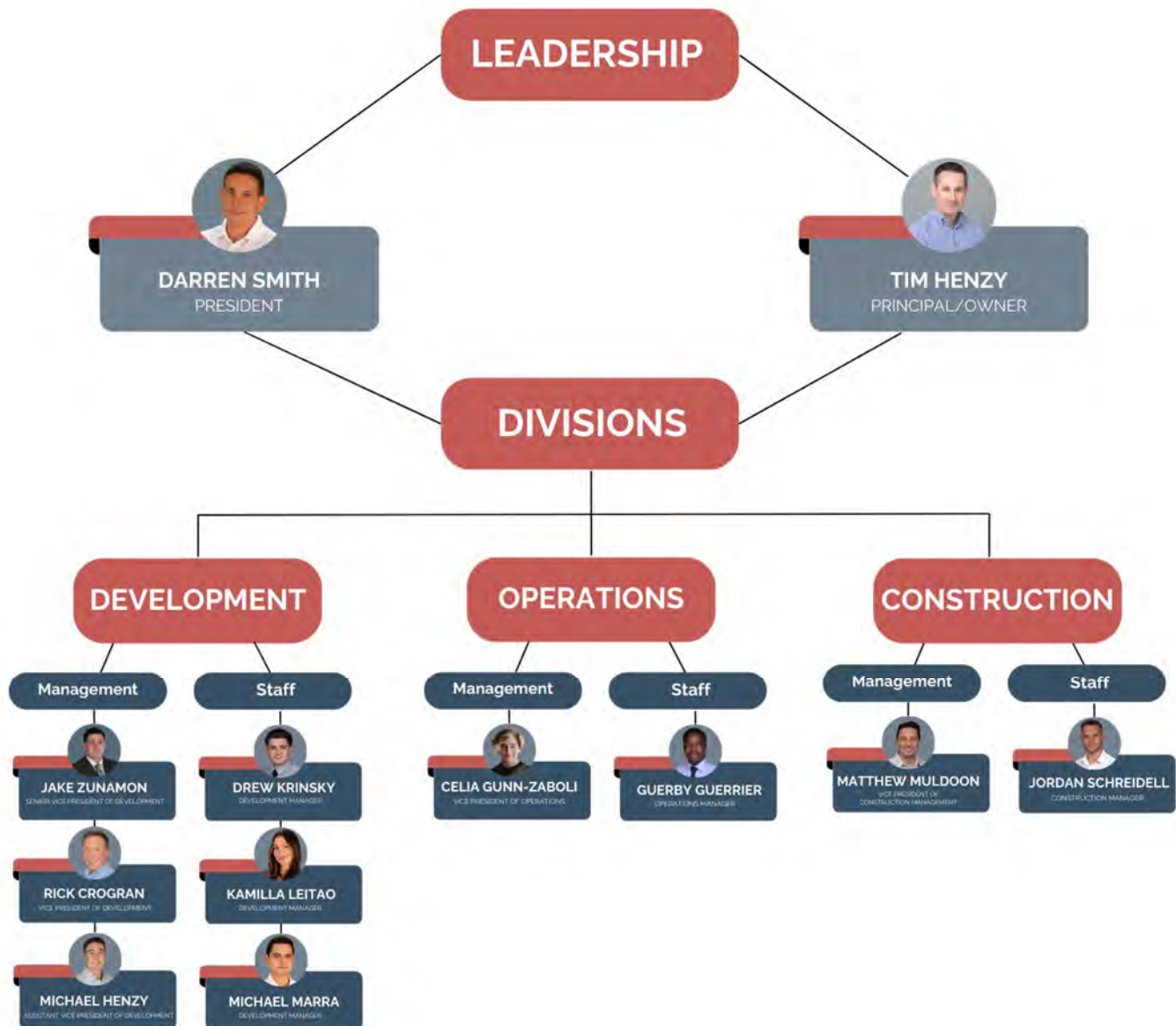
We look forward to continuing our collaboration with the Pensacola Community Redevelopment Agency and are eager to bring this transformative project to fruition.

On the following pages are information sheets on three comparable projects, and further information on our firm.



SMITH & HENZY

AFFORDABLE GROUP





Meet Our Team



DARREN SMITH PRESIDENT

Darren leads Smith & Henzy's Southeast and Midwest operations in all aspects of development. With over 30 Low-Income Housing Tax Credit (LIHTC) developments in Florida, Darren has grown Smith & Henzy to one of the top affordable housing development firms in the State. Since the inception of Smith & Henzy in 2014, he has led the financing and development of \$1.6 billion of housing, with over 1,800 units currently in the portfolio and another 1,800 in development in Florida.

Under Darren's direction, the Smith & Henzy Florida office, currently closes 6-8 transactions per year and is known for expeditiously executing complex financial structures that involve financing through a diversity of programs, such as 9% LIHTC for new construction, preservation and supportive housing, various forms of subordinate debt financing from the State of Florida and other Florida municipalities, HUD's Section 18, Section 22, and RAD programs, and Freddie/Fannie tax credit financing. The Smith & Henzy Florida office focuses on development and ownership opportunities, often working to bring its nonprofits and Public Housing Authority partners' development visions to life.

Darren grew up in public housing and therefore, is particularly committed to the redevelopment and preservation of public housing sites across the United States. His firsthand experience living in affordable housing fuels his drive to redevelop the most blighted communities and provide quality affordable housing to the families who need it most.

Darren's experience reaches beyond Florida, as he has closed over \$2 billion of 9%, 4%, 80/20 and Freddie/Fannie tax credit financing in New York, New Jersey, Washington D.C., Florida, Texas and California as a banker at Citibank. Prior to starting Smith & Henzy, Darren worked in Citi's Municipal Securities division and specialized in community reinvestment related business. Darren holds a bachelor's degree in Finance & Investment from Baruch College and is currently trustee member for the Baruch College Fund.

Meet Our Team



TIMOTHY HENZY

PRINCIPAL/OWNER

Tim leads the Northeast operations for Smith & Henzy development and consulting practices. Under his leadership the firm has created and preserved 6,000 units of affordable housing in New York and Florida totaling over \$1.6 billion in development costs.

The New York office is active in both development and consulting and closes 4-6 transactions per year with the New York State Homes and Community Renewal and New York State Housing Finance Agency. Work with these agencies has included 4% and 9% Low-Income Housing Tax Credits to finance the preservation of State Assisted Mitchell Lama properties, year 15 restructurings, Public Housing Authority redevelopment using RAD and Section 18, and new construction projects focused on supportive housing and energy efficiency.

Smith & Henzy was selected by the State in 2019 to develop 160 apartments in East Brooklyn under the Governor's Vital Brooklyn Initiative. The project is the first project to be completed under the initiative and includes Passive House Certification and 36 supportive apartments for person with developmental disabilities and children aging out of foster care.

Tim has worked as consultant to multiple for-profit and not-for-profit entities. The firm was recently recognized along with our client, People Inc, for their work on the Jefferson House Apartments in Buffalo. The project received the New York State Association for Affordable Housing's Update Project of the Year for 2021.

Tim's career in affordable housing began in municipal government in Massachusetts in 1994. Since 1998 Tim has held positions with development firms working in the New York affordable housing industry as well as worked for a low-income housing tax syndicator overseeing projects in New York, Ohio, Nevada and Wisconsin. Tim holds a Bachelor of Arts degree from Providence College and a Master of Regional Planning degree from the University of Massachusetts at Amherst.

Meet Our Team



JAKE ZUNAMON

SENIOR VICE PRESIDENT OF DEVELOPMENT

Jake identifies new sites, underwrites and analyzes various financial structures, and directs projects from inception through conversion of permanent financing. Jake joined Smith and Henzy in 2022 to grow the company's footprint and add value through development best practices. Prior to joining Smith & Henzy, Jake was a Senior Vice President of Development for Housing Trust Group. While in this role, he oversaw the creation of over 1,000 units of new construction affordable housing and spearheaded the company's expansion into Illinois. Jake holds a bachelor's degree in History and Education from the University of Michigan and is a graduate from University of South Florida's Community Real Estate Development program.



RICK CROGAN

VICE PRESIDENT OF DEVELOPMENT

Rick manages projects from conception through underwriting to closing and construction commencement. Since starting with Smith & Henzy in 2018, Rick has been actively involved in closing over 20 developments that total over 1,500 affordable housing units and \$500 million in development costs. Prior to joining Smith & Henzy, Rick worked at Seltzer Management Group, Inc. (SMG) for 17-years. At SMG, Rick was responsible for affordable housing credit underwriting related to loan and grant requests through Florida Housing Finance Corporation and various county and municipalities throughout Florida. Rick was responsible for validating applicant compliance with all applicable loan and grant requirements of State Apartment Initiative Loans, HOME funds, Low Income Housing Tax Credit allocations, Multifamily Revenue Bond programs, and other financing programs offered through the State's request for application process. Rick holds a bachelor's degree in Accounting from King's College.

Meet Our Team



CELIA GUNN-ZABOLI

VICE PRESIDENT OF OPERATIONS

Celia manages the operations of Smith & Henzy's Florida office. She leads projects from construction commencement to permanent financing and on to stabilized operations. Celia played a pivotal role in growing Smith & Henzy's execution phase capacity, developing new processes and standardizing existing ones to efficiently move projects through construction, development, and financial milestones. Over the past three years, Celia and her team have placed over 1,400 units of affordable housing in service, with a combined development cost of over \$250 million. Currently, Celia is moving 1,100 additional units with development costs of approximately \$250 million through various stages of construction. Prior to joining Smith & Henzy, Celia worked in development in The Michaels Organization's Atlanta office, specializing in LIHTC and PHA redevelopment in the Southeast. Celia holds a bachelor's degree in Multidisciplinary Studies in Theatre and Film from the University of Oklahoma.



MATTHEW MULDOON

VICE PRESIDENT OF CONSTRUCTION MANAGEMENT

Matt works upfront with Smith & Henzy's architectural and engineering teams to refine project site plans and designs and oversees construction to ensure each development is highly cost effective, energy efficient, and sustainable. Since joining Smith & Henzy in early 2022, Matt has been instrumental in successfully identifying cost saving opportunities in the face of construction cost escalations, which has enabled four deals to close and begin construction on time and within budget. He is currently overseeing construction activities on nine projects that total nearly 1,000 units and are in a variety of stages of development. Prior to joining Smith & Henzy, Matt worked for 15-years for a General Contractor in South Florida that specializes in building multi-family projects. Matt became a Certified General Contractor in March of 2022.



JORDAN SCHREIDELL

CONSTRUCTION MANAGER

Jordan joined the Smith & Henzy Florida office in 2023 as a construction manager and owner's representative. He is responsible for attending contractor meetings, conducting site visits, and overseeing change orders and construction schedules for various multimillion dollar projects. Jordan is currently assisting the Vice President of Construction in supervising construction activities on nine projects that total nearly 1,000 units and are in a variety of stages of development. He has been influential in cost efficiency for the firm and is accountable for reporting back to the VP of Construction with ongoing activities for all managed projects. Jordan has hands-on experience in both construction and business. He is a South Florida native and earned an associate degree in business administration and management, including multiple certifications in business management from Broward College. Jordan uses his business and construction skills to readily manage the construction side of Smith & Henzy while he works closely with the development team.

Meet Our Team



MICHAEL HENZY

ASSISTANT VICE PRESIDENT OF DEVELOPMENT

Based in Smith & Henzy's Southeast office, Mike serves as Assistant Vice President where he plays a pivotal role in the company's operations and project management. Since joining the firm in 2019, Mike has been instrumental in overseeing the entire project lifecycle, from acquisition to stabilized operations. His responsibilities encompass a wide range of tasks, including the utilization of HUD repositioning tools like RAD (Rental Assistance Demonstration), Section 18, and Section 22 to redevelop and reposition Smith & Henzy's Public Housing Authority ("PHA") partner's development sites. His expertise extends to the intricate process of analyzing development sites, ensuring that each potential project aligns with the company's mission and goals.

Furthermore, he collaborates closely with PHAs and Non-Profits to navigate regulatory requirements and maximize the impact of Smith & Henzy's initiatives. Mike is also responsible for preparing and submitting Request for Applications (RFA) to the Florida Housing Finance Corporation (FHFC), a critical step in securing the necessary funding for the company's affordable housing developments. His dedication and comprehensive approach have been instrumental in driving the success and growth of Smith & Henzy Affordable Group, Inc.

Prior to joining Smith & Henzy, Mike worked for a development firm in New York, assisting with project planning for the renovation and Rental Assistance Demonstration ("RAD") of a 1,088-unit New York City Housing Authority project in the Bronx. Mike holds a bachelor's degree in business administration from the College of Charleston and a master's degree in Urban and Regional Planning from Florida Atlantic University.



DREW KRINSKY

DEVELOPMENT MANAGER

Drew assists in all aspects of development, such as coordinating pre-closing due diligence items, processing funding requisitions during construction, and managing resident relocation. Since joining Smith & Henzy in 2021, Drew has developed a special expertise in resident relocation; he has managed three resident in-place rehabilitation projects that required relocating over 300 households. This involved hiring and coordinating moving and cleaning companies, renting storage spaces and off-site apartments to be used as temporary housing, managing utility transfers, and addressing resident concerns throughout the process. Drew holds a bachelor's degree in Public Policy from the University of Southern California.

Meet Our Team



GUERBY GUERRIER
OPERATIONS MANAGER

Based in the Smith & Henzy Southeast office, Guerby serves as a Junior Developer at Smith & Henzy Affordable Group, Inc.. His responsibility involves handling due diligence items, financial closings, and funding requests for multiple affordable housing developments. He manages all communications related to funding requisitions with Bank of America, Wells Fargo, and Citibank, and therefore, plays a vital role in managing Smith & Henzy's accounts. Guerby plays a critical role in the financial and administrative aspects of at Smith & Henzy; helping to secure funding, maintain compliance, and facilitate successful financial closings projects. Guerby holds a bachelor's degree in Accounting and Finance from Florida Atlantic University.



KAMILLA LEITAO
DEVELOPMENT MANAGER

Kami's responsibilities include but are not limited to submitting FHFC and other financial applications, preparing any HUD packages, including SLRs and Section 18 Demolition and Disposition, processing funding requisitions during construction, coordinating pre-closing due diligence items, and working directly with nonprofit and public housing authority partners to facilitate closing processes. Prior to joining Smith & Henzy, Kami worked with Tag Associates, a public housing consulting firm for 3 years. Her role consisted of revising RFA applications, preparing budgets for project-based voucher applications, and putting together RFPs for housing authorities. Kami holds a bachelor's degree from Florida State University in Finance and Marketing.



MICHAEL MARRA
DEVELOPMENT MANAGER

Michael Marra serves as Development Manager where he currently assists in various aspects of the development process. Some of Michael's responsibilities include working in tandem with external entities to ensure the smooth completion of pre and post development activities, as well as processing monthly funding requisitions for Smith & Henzy's projects that are under construction, where he works closely with members of the development team and banks such as Regions and Truist. Additionally, Michael plays a pivotal role by assisting in preparing Request for Applications (RFA) to the Florida Housing Finance Corporation (FHFC), which is a critical step in securing funding for the company's affordable housing developments. Michael holds a bachelor's degree in Finance from Florida State University.

Comparable Project Descriptions

In this section, we present a brief description of up to three most comparable projects that Smith & Henzy Affordable Group has successfully developed. For each project, we provide the name, address, photographs, and references. Additionally, we include the timing of development, detailing the period from the submission of design/plans to the governing agency through to the receipt of the certificate of occupancy.

Project 1: Island Cove

Address: 900 SW 12th Ave., Delray Beach, FL 33444

References: Shirley Erazo, CEO, Delray Beach Housing Authority, serazo@dbha.org, (561) 272-6766

Timing of Development:

Submission of Design/Plans: 1/20/2022

Approval by Governing Agency: 6/16/2022

Start of Construction: 7/5/2022

Certificate of Occupancy Received: 2/16/2024

Project 2: Lofts on Lemon

Address: 750 Cohen Way, Sarasota, FL 34236

References: William Russell, CEO, Sarasota Housing Authority, wrussell@sarasotahousing.org

Timing of Development:

Submission of Design/Plans: 5/18/2020

Approval by Governing Agency: 9/2/2020

Start of Construction: 9/8/2020

Certificate of Occupancy Received: 11/16/2022

Project 3: Amaryllis Park Place

Address: 2012 N Orange Avenue Sarasota, FL 34234

References: Nicole Baldon, Bank of America, Senior Vice President, (704) 737-3023,
Nicole.baldon@bofa.com

Timing of Development:

Submission of Design/Plans: 10/21/2019

Approval by Governing Agency: 5/8/2020* (COVID-19 Delay)

Start of Construction: 6/29/2020

Certificate of Occupancy Received: 5/13/2022

On the following pages, you will find comprehensive information sheets for each project, including visual documentation for further verification and insights.

Island Cove Apartments



Owner



Developer



Delray Beach, FL



Island Cove Apartments ("Island Cove") is a new construction, 60-unit family property that was completed in October 2023 and is located at 900 SW 12th Avenue, Delray Beach, FL 33444. The development consists of five (5) two-story, garden-style residential buildings and one (1) non-residential community center/leasing office. Island Cove has 40 2-bedroom units and 20 3-bedroom units at 30% AMI, 60% AMI, 70% AMI, and 80% AMI. Of the 60 total units, all 9 units @ 30% AMI and 16 units @ 60% AMI received project-based vouchers (PBVs), these 25 units were evenly distributed across all five (5) buildings. Unit amenities include washers and dryers for each unit, high-efficiency stainless steel Energy Star appliances, solid surface countertops, peninsulas, and luxury vinyl tile throughout the units. Project amenities include a community building with a leasing office, fitness center, business center, media/gaming room, a pool, basketball court, benches, grilling area, and short- and long-term bike storage. Residents are able to attend resident programs such as adult literacy, employment opportunity assistance, and homeownership programs.



\$26.8 million

total development cost



60

units

Development Type

Affordable Housing,
Family Housing, New
Construction

Financing Sources

Tax-Exempt Bonds,
Federal 4% LIHTC
equity, FHFC SAIL & ELI
Loans, Freddie Mac
Permanent Loan, City of
Delray Beach Community
Redevelopment Agency
Grant

Specialties

Public Housing Authority
Partnership, Workforce
Housing, Hometown
Heros

Sustainable Features

ICC 700 National Green
Building Standard
(NGBS)

Project Team

Delray Beach Housing
Authority, REG Architects,
Delray Housing Group, Pike
Construction Services,
Raymond James, Berkadia

Completion

October 2023

Island Cove Apartments

 Owner  Developer  Delray Beach, FL



Amaryllis Park Place Phase I

 Owner  Developer  Sarasota, FL



Amaryllis Park Place Phase I is a new construction senior affordable housing development in Sarasota's Newtown neighborhood. The 84 one- and two- bedroom units are affordable to seniors ages 62 and older with annual incomes from 35% to 60% of AMI. The Amaryllis Park Place development site totals 14 acres and originally, contained 100-units of public housing that were in disrepair. Smith & Henzy worked with the Sarasota Housing Authority to craft a phasing plan for the site and remove portions from the Declaration of Trust, through HUD's Section 18 Demolition and Disposition program for Amaryllis Park Place Phase I and Section 22 Voluntary Conversion program for Amaryllis Park Place Phase II. Smith & Henzy is one of the first developers in the country to utilize the Section 22 Voluntary Conversion program. Smith & Henzy and the Sarasota Housing Authority completed construction on Amaryllis Park Place Phase I in early 2022 and the community is fully leased; Amaryllis Park Place Phase II is currently under construction and slated for completion in 2023.

 **\$22.2 million**
total development cost

 **84**
units

Development Type

Affordable Housing,
New Construction,
Senior Housing

Public Housing Repositioning Program

Section 18 and Section 22

Financing Sources

Competitive 9% LIHTC Equity,
Construction Loan, Freddie
Mac Permanent Loan,
Sarasota Housing Authority
Loan

Specialties

Public Housing Authority
Partnership

Sustainable Features

Transit-Oriented
Development, ICC 700
National Green Building
Standard

Project Team

Sarasota Housing Authority,
Hoyt Architects, JWR
Construction Services, NDC
Asset Management, Bank of
America, Walker & Dunlop,
Enterprise Community
Investment

Completion

Phase I: 2022
Phase II: 2023

Amaryllis Park Place Phase I

 Owner  Developer  Sarasota, FL



Lofts on Lemon Phase I

 Owner  Developer  Sarasota, FL



Lofts on Lemon, a project of Smith & Henzy's and the Sarasota Housing Authority's, is an innovative mixed-income project that utilizes a diversity of financing sources. Lofts on Lemon Phase I is a new construction, 128-unit, affordable workforce community for families in downtown Sarasota. The project is comprised of a five-story mid-rise building that contains a mix of one-, two-, and three-bedroom apartments for families with annual incomes from 30% to 80% AMI. Lofts on Lemon Phase I will offer a large community room for residents, an indoor gym, and a fifth-floor community media room with a balcony. Of the 128 units, 76 are tax credit units and the remaining 52 are workforce units with a preference for individuals that qualify for a local program called "Hometown Heroes," which aims to provide housing to local police officers, firefighters, teachers, and nurses. Construction will be complete on Lofts on Lemon Phase I in 2022. Smith & Henzy and the Sarasota Housing Authority are pursuing financing for Lofts on Lemon Phase II, with plans to begin construction in late 2023. To date, we have been awarded \$7 million in American Rescue Plan Act funds from Sarasota County.

 **\$33.5 million**
total development cost

 **128**
units

Development Type

Affordable Housing,
New Construction

Public Housing Repositioning Program

Section 18

Financing Sources

Competitive 9% LIHTC
Equity, Construction Loan,
Freddie Mac Permanent
Loan, Sarasota Housing
Authority Loan, Charles
& Margery Barancik
Foundation Funds

Specialties

Public Housing Authority
Partnership, Workforce
Housing

Sustainable Features

Transit Oriented
Development, ICC 700
National Green Building
Standard

Project Team

Sarasota Housing Authority,
Hoyt Architects, JWR
Construction Services, NDC
Asset Management, LLC,
Bank of America, Walker
& Dunlop

Completion

Phase I: 2022
Phase II: TBD

Lofts on Lemon Phase I

 Owner  Developer  Sarasota, FL



Project Team and Commitments

Smith & Henzy Affordable Group is pleased to present the key members of our proposed team for the redevelopment of the Pensacola Motor Lodge. We have secured commitments from our architect, contractor, and property manager, who are essential to the successful execution and management of this project. Below are the details of the respective companies and their authorized commitments:

Architect:

Company Name: Gallo Herbert Architects

Contact Person: Brian Herbert

Phone: (954) 461-6625

Email: BHerbert@GalloHerbert.com

Gallo Herbert Architects is a seasoned architectural firm with extensive experience in designing all types of multifamily housing. The firm is well-versed in the local rules and regulations in Pensacola and has already conducted an extensive review of the project site.

With a long history of successful collaboration with Smith & Henzy Affordable Group on numerous projects, Gallo Herbert Architects brings a wealth of knowledge and expertise to every development. Their familiarity with the unique aspects of multifamily housing design ensures that all projects meet the highest standards of quality and efficiency.

Gallo Herbert Architects has worked with Smith & Henzy on several significant projects, including:

- St. Joseph Manor II: A 150-unit senior new construction in Pompano Beach, FL.
- St. Mary: A 100-unit senior renovation in Miami, FL.
- Boynton Bay: A 240-unit renovation of senior housing in Boynton Beach, FL.
- Imperial Club: Currently designing a 220-unit senior renovation in Aventura, FL.

Should we come to an agreement on terms, Gallo Herbert Architects will provide comprehensive services from the initial design phase through to project completion, ensuring that the development is executed seamlessly and meets all regulatory requirements.

Principals & Officers



William J. Gallo, AIA, LEED AP
CEO & CHAIRMAN

William J. Gallo (Bill), AIA, LEED® AP is Chairman/CEO of Gallo Herbert Architects, an architecture, interior design and consulting firm. He serves as client liaison for key projects and is responsible for all administration, finance and operations of the firm. Bill is instrumental in coordinating entitlements and site approvals, is often retained by peers, clients and the legal community for dispute resolution, development management and feasibility analysis. He is NCARB certified and registered in FL, NY, GA, MA, NJ, DC, DE, PA and SC.

✉ Email • wgallo@galloherbert.com



Brian P. Herbert, AIA, LEED AP
PRESIDENT

Brian P. Herbert, AIA, LEED AP is President of Gallo Herbert Architects. He is responsible for overall project coordination and production within the office. Brian also monitors the progress of jurisdictional agency approvals and provides expert opinion, dispute resolution services and project consulting services. Brian is a registered architect in the State of Florida. He completed his training in architecture at Florida A&M University in Tallahassee, where he received his Bachelor of Architecture Professional degree in 1990.

✉ Email • bherbert@galloherbert.com



John E. Tice, AR
VICE-PRESIDENT

John E. Tice is Vice-President of the firm. John brings over thirty years of experience to our team. From entry level draftsman in 1979 to Architecture firm principal in 1994, John has produced and managed a variety of commercial and residential projects. John's experience as co-owner of the firm of Winningham, Bundy, & Tice, Architects, P.A., provided him the opportunity to lead design and engineering teams in the development of large and complex automotive projects as well as numerous commercial buildings.

✉ Email • jtice@galloherbert.com



ST. ANDREWS TOWERS

Coral Springs, Florida

Project Overview

St. Andrews Towers is comprised of 360 senior affordable studio and one bedroom units and common area rehabilitation. All units have been fully renovated including bathrooms, kitchens and living areas to meet the needs of the senior residents.

- IMPROVEMENTS INCLUDE:
- Section 504 Accessibility Improvements
- New Impact & Energy Efficient Windows
- New Energy Star Appliances, Lights & Fixtures
- New Kitchen Cabinets & Counters
- New Finishes Throughout

Project Information

Project Type

Senior Affordable Housing

Project Value

\$9.5 Million

Owner

Catholic Housing Management





PALMS OF DEERFIELD BEACH

Deerfield Beach, Florida

Project Overview

Palms of Deerfield Beach is comprised of 100 senior affordable studio and one bedroom units and common area rehabilitation. All units have been fully renovated including bathrooms, kitchens and living areas to meet the needs of the senior residents.

- IMPROVEMENTS INCLUDE:
- Section 504 Accessibility Improvements
- New Impact & Energy Efficient Windows
- New Energy Star Appliances, Lights & Fixtures
- New Kitchen Cabinets & Counters
- New Finishes Throughout

Project Information

Project Type

Senior Affordable Housing

Project Value

\$5.5 Million

Owner

Deerfield Housing Authority





LAKE DELRAY APARTMENTS

Delray Beach, Florida

Project Overview

Lake Delray apartments is comprised of 180 garden style apartments. Located in Delray Beach designed for the City of Delray Beach Housing Authority.

- IMPROVEMENTS INCLUDE:
- Section 504 Accessibility Improvements
- New Impact & Energy Efficient Windows
- New Energy Star Appliances, Lights & Fixtures
- New Kitchen Cabinets & Counters
- New Finishes Throughout

Project Information

Project Type

Senior Affordable Housing

Project Value

\$6.5 Million

Owner

Delray Beach Housing Authority
C/O Smith & Henzy Advisory Group





June 20, 2024

RE: Redevelopment of the Former Pensacola Motor Lodge

To whom it may concern:

Gallo Herbert Architects is aware of the proposed redevelopment of the Pensacola Motor Lodge and is qualified and willing to manage the property. Gallo Herbert Architects has vast experience designing Low-Income Housing Tax-Credits properties. We have worked closely with Smith & Henzy Affordable Group for many years on a large number of projects and look forward to the opportunity to hopefully work with them on this project.

Regards,

Brian P. Herbert, AIA
President

General Contractor:

Company Name: Pike Construction

Contact Person: Dennis Robinson

Phone: (407) 495-7904

Email: drobinson@pikecs.com

Pike Construction is a distinguished general contracting firm with a proven track record of delivering high-quality construction projects. The firm specializes in multifamily housing developments, bringing extensive experience and expertise to each project they undertake.

Pike Construction has established a strong reputation for its commitment to quality, efficiency, and adherence to timelines. Their deep understanding of the construction process and dedication to excellence ensures that every project is completed to the highest standards.

Pike Construction successfully built Island Cove, a 60-unit new construction project in Delray Beach for Smith & Henzy Affordable Group. They are currently renovating Episcopal Catholic Apartments, a 199-unit senior development in Winter Haven, FL, and will be building Zion Village, a 75-unit senior new construction development in Riverside, FL, both for Smith & Henzy. These projects demonstrate their capability in handling significant multifamily housing developments and underscore their effective partnership with Smith & Henzy.

Should we come to an agreement on pricing and terms, Pike Construction will oversee all aspects of the construction process, ensuring that the project is built efficiently, on time, and within budget. Their experience with local regulations and their commitment to quality make them an invaluable member of the project team.

Pike Construction's comprehensive approach to project management and their focus on delivering exceptional results will be instrumental in the successful completion of this development.



Kenneth Ogden LEED AP

PRESIDENT

Profile

As President, Ken directs the day-to-day operations of the company, formulating plans and policies to achieve overall corporate objectives, ensuring profitable growth and fulfilling the company's commitment to the community. In his 30 years with the company, he has acquired extensive knowledge and the aptitude to identify the critical challenges of complex projects. This experience has provided Ken the insight to creatively enhance project feasibility strategies, specifically in affordable, market-rate and senior housing construction.

Education

Bachelors of Science in
Biomechanics, Penn State
University

Bachelors of Science in Civil
Engineering, Rochester Institute
of Technology

Training & Accreditations

LEED Accredited Professional

Organizations

The Urban League of Rochester
Contractor Training Program

Rochester Minority Business
Exchange

Sonnenberg Gardens

LeadingAge New York

LeadingAge

Greater Canandaigua Civic Center

American Society of Professional
Estimators.

Awards

2008 Outstanding Business
Person of the Year Award, The
Urban League of Rochester

Dedicated Time

Ken will be dedicating 2% of his
time to this project.

Recent Clients & Projects

- Island Cove Apartments, Delray Beach, FL
- Hogan Creek Towers, Jacksonville, FL
- Legacy Pointe at University of Central Florida, Oviedo, FL
- Fleet Landing, Atlantic Beach, FL
- Abbey Delray Senior Living, Delray Beach, FL
- The Waterford, Juno Beach, FL
- Jubilee Phase II, Orlando, FL
- Lutheran Haven, Oviedo, FL
- Gulf Coast Village II, Cape Coral, FL
- East Ridge Retirement Village, Miami, FL
- Grandville on Avalon, Avalon, FL
- Sennett Meadows Senior Apartments, Sennett, NY
- West End Heights Apts., Ithaca, NY
- RCG Hubbard Springs Apts., North Chili, NY
- Irondequoit Senior Housing, Rochester, NY
- Hubbard Springs Apartments, North Chili, NY
- Happiness House II Apartments, Canandaigua, NY
- Frances Apartments, Phase I and II, Brockport, NY
- DePaul Starting Line Apartments, Utica, NY
- Zion Hill Senior Apartments, Rochester, NY
- Black River Apartments, Watertown, NY
- Ithaca Scattered Site, Ithaca, NY
- Durand Senior Apartments, Irondequoit, NY





Dennis Robinson

EXECUTIVE VICE PRESIDENT

Profile

Dennis, as Executive Vice President of Pike is responsible for both preconstruction planning as well as construction period management. These activities include conceptual design planning and estimating, schedule development, contract negotiations, final cost estimates, job performance, and provision of post-construction services. Dennis is part of the corporate management team and is involved in many aspects of the Company's administration, financial, training, and service operations.

Dennis, a Florida native, served in the U.S. Navy Seabees as an Engineering Aide. He then received a Bachelor of Science in Construction Technology from Purdue University. Dennis lived and worked in Nashville, Tennessee for 25 years in a variety of capacities, with his work focus on hospitals, out-patient surgery centers, medical office buildings, schools, hotels, apartments, and a variety of industrial buildings. In 2005, Dennis transitioned to Florida to lead a construction division as Executive Vice President where, over the next dozen years, he successfully delivered more than \$285 million of senior living and senior healthcare projects. His responsibilities encompassed business development, estimating & preconstruction, operations, and warranty management.

Education

Bachelor of Science in
Construction Technology,
Purdue University

Training & Accreditations

Certified General Contractor -
Florida

PCMB Leadership Training

Dedicated Time

Dennis will be dedicating 15% of
his time to this project.

Recent Clients & Projects

- Island Cove Apartments, Delray Beach, FL
- Hogan Creek Towers, Jacksonville, FL
- Legacy Pointe at University of Central Florida, Oviedo, FL
- Fleet Landing, Atlantic Beach, FL
- Abbey Delray Senior Living, Delray Beach, FL
- The Waterford, Juno Beach, FL
- Jubilee Phase II, Orlando, FL
- Lutheran Haven, Oviedo, FL
- Gulf Coast Village II, Cape Coral, FL

Dennis's work experience includes:

- Executive Vice President, Southeast - The Douglas Company, Orlando, FL
- Vice President, Branch Manager - Doster Construction Company, Nashville, TN
- President - Branch Construction Company, Nashville, TN
- Vice President, Construction Group Manager - Hardaway Construction Company, Nashville, TN



Legacy Pointe at UCF

Project cost

\$70.5 Million

Start Date

January 2020

Completion Date

March 2022

Location

Orlando, Florida

Owner

CCRC Development Corp

Architect

Helman Hurley Charvat
Peacock Architects

Pike provided preconstruction and construction management services for Legacy Pointe at UCF, a full continuing care retirement community (CCRC) in Orlando, Florida. This CCRC consists of a 210,000 SF, 5-story, independent living building that contains 142 fully customized units. The commons area and trellis is 26,890 SF along with a 10,000 SF garden area and contains two dining rooms, bistro/bar area, salon, fitness center, activity area, auditorium, yoga studio, sales and concierge services, and multipurpose rooms.

The assisted living area is 47,160 SF with 48-units and includes dining and common areas. The long-term skilled nursing and memory care building contains 32 memory care units, 32 skilled nursing units along with dining and common areas, and a memory care courtyard area. The short-term nursing care and rehabilitation area is 21,800 SF with 15 skilled nursing units and 11,000 SF of rehabilitation and administration areas.

The CCRC also contains a pool and pool building, a covered parking structure, a commercial kitchen, laundry, a second-floor dining and salon, a guardhouse, and 2 generators totaling 2KW.



Bellanova at Jubilee Park

Project Cost

\$39.7 Million

Start Date

January 2018

Completion Date

July 2019

Location

Orlando, Florida

Owner

LECESSE Development Corp.

Architect

Humphreys & Partners Architects

Provided construction services for the new 457,923 SF BellaNova apartments at JubiLee Park. BellaNova is a 312-unit, best in class, apartment community located in Orlando, Florida. The project included twenty-six 2-story apartment buildings with tile roofs. The units consist of a mix of 1, 2, and 3 bedroom units, some with direct entry garages. The project also added a 13,000 SF clubhouse containing a gym, swimming pool and summer kitchen.



Friedrich Supportive Housing



Project cost

\$10.5 Million

Completion Date

2012

Location

Mt. Vernon, New York

Owner

Friedrich Supportive
Housing, LLC

Architect

Oaklander Coogan &
Vitto

The 56,000 square foot Friedrichs building is a newly constructed independent living community on The Wartburg Adult Care Campus in Mt. Vernon, NY. This affordable housing facility is LEED certified – Gold - by the U.S. Green Building Council. It is targeted to meet the needs of independent seniors who also want peer support. The 10 studio and 51 one-bedroom all ADA adaptable units couple comfortable, affordable private rental apartments with a full complement of modern common amenities including a high-tech fitness room, library, conference center, dining room, kitchen, and outdoor patio. Partnering with OCV (Oaklander Coogan & Vito) Architects, the facility was designed to complement the historic buildings that make up the Wartburg campus.





June 20, 2024

Mr. Drew Krinsky
Smith & Henzy Affordable Group
Delray Beach, Florida

RE: Redevelopment of Pensacola Motor Lodge
 Pensacola, Florida

To whom it may concern:

Pike Construction Services, Inc. is aware of the proposed redevelopment of the Pensacola Motor Lodge and is qualified and willing to manage the property during redevelopment and construction. Pike Construction has vast experience building Low-Income Housing Tax-Credits properties. In recent years we have worked closely with Smith & Henzy Affordable Group on several projects and look forward to the opportunity to hopefully work with them on this project.

Please feel free to reach out to me directly with any questions or requests for additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dennis Robinson", written over a light blue horizontal line.

Dennis Robinson
Executive Vice-President

Property Manager:

Company Name: NDC Asset Management

Contact Person: Rick Elwood

Phone: (941) 907-4109 ext. 126

Email: relwood@ndcassetmanagement.com

NDC Asset Management is a leading property management firm with extensive experience in managing Low-Income Housing Tax Credit (LIHTC) and Homeless Veteran housing. The firm's expertise in these specialized housing areas ensures that they can effectively manage properties while providing exceptional service and support to residents.

NDC Asset Management currently manages several properties for Smith & Henzy Affordable Group, including:

- **Lofts on Lemon:** Located in Sarasota, FL.
- **Amaryllis Park Place I and II:** Also located in Sarasota, FL.
- **Palm Place:** Located in Winter Haven, FL.

These properties highlight NDC Asset Management's ability to handle a diverse portfolio of affordable housing developments and their commitment to maintaining high standards of quality and efficiency.

Should we come to an agreement on terms, NDC Asset Management will oversee the property management aspects, ensuring effective management and maintenance. Their experience with LIHTC and Homeless Veteran housing, along with their proven track record, make them an invaluable member of the project team.

NDC Asset Management's comprehensive approach to property management and their focus on delivering exceptional resident services will be instrumental in the successful operation of this development.



Principles & Executives



Ron Allen
Chief Executive Officer

Mr. Allen is the President of NDC Asset Management, LLC and Co-Owner of NDC Construction Company. Ron brings 31 years of experience to each job; consisting of Construction, Development and Property Management. Ron is uniquely qualified to carry out all facets of management projects and through fundraising, finance, development to ensure complete client satisfaction.

Ron understands the relationships that must exist through all stages of the management process to ensure the clients, partners and agencies expectations are delivered. Ron also instills a proud community involvement throughout NDC Asset Management and NDC Construction and Development.



Jason Bartz
President

As President of NDC Asset Management, Jason brings over 20+ years of commercial real estate development, construction, brokerage, and management experience to the organization. Jason also serves as Vice President of Development for NDC Construction Company located in Bradenton, Florida. Jason earned a B.S. in Finance from the University of South Florida and an MBA from Florida State University. Jason is a Florida licensed Real Estate Broker and a LEED Accredited Professional.

Jason oversees the daily operations of NDC Asset Management with a staff of over 300 employees located in six states: Florida, Pennsylvania, Louisiana, Mississippi, New Jersey, and Virginia. Jason previously oversaw the management of over 380,000 square feet of retail, professional and medical office space and has also brokered over \$30,000,000 in sales and leases in professional/medical office buildings and vacant property in the Florida Region.



Denise McDonough
Executive Vice President

Prior to joining the NDC team in 2018, Denise worked 25 years in corporate banking and is currently involved in the management of vacation rental properties in Florida. Denise graduated from the Indiana University of Pennsylvania with a B.S. in Accounting and began her career at Touche Ross & Company. As the Senior Vice President of NDC Asset Management, Denise is instrumental in overseeing the strategic operations of the organization.



Principles & Executives



Karen Kreutzer
Chief Financial Officer

Karen brings over three decades of experience and expertise to NDC Asset Management's accounting department and operation. Karen is a 1985 graduate of Thiel College with a B.S. in both Accounting and Business Administration. Before joining NDC Asset Management in 1988, Karen was employed by Touche Ross & Company where she worked as an Auditor. In Karen's role as Chief Financial Officer, she oversees the Accounting Department for both the Residential Property Management and Commercial Property Management Divisions. In addition, Karen is involved in the insurance program, overseeing the current policies for all Corporate operations as well as all our Managed Properties. Karen also plays a key role in the accounting and financial analysis for our Regional and Corporate operations. Since 1992, Karen has been a member of the AICPA and PICPA.



Richard Elwood
Senior Vice President
of Operations

As Senior Vice President of Operations, Rick manages the day-to-day management operations of NDC Asset Management with a staff of over 300 employees located in five states: Florida, Pennsylvania, Louisiana, Mississippi, and Virginia. Rick is a graduate of Florida State University and joined NDCAM in 2004 as a Regional Manager. Rick has over 30 years of property management experience.

Rick has been providing direct operating oversight of the Southern Division since 2008, in addition to being responsible for the company's growth throughout our Southern Division. During this time, NDC's Southern Region has grown successfully from 11 properties in Florida to more than 60 properties across three states. The growth under Rick's direction has included new construction, rehabs, and existing assets, with a vast assortment of programs that include LIHTC, Section 8, Rural Development, Public Housing, Blended Occupancy, Market Rate Housing, and RAD.



Ray Czachowski
Senior Consultant

Ray is the Senior Consultant of NDC Asset Management. He is a Certified Property Manager with over 40 years of experience managing conventional, subsidized, condominium, and commercial properties. Ray is a Board Member of the National Leased Housing Association and previous President of the Apartment Association of Metropolitan Pittsburgh in 1987 and 1988 and is a Life Director of the Association. Ray directs the property management activities of NDC Asset Management, LLC.

Ray's previous experience was with McKinney and Company, a Pittsburgh-based firm with property in Pittsburgh, Atlanta, Houston and Florida. He was also with the National Corporation for Housing Partnerships in their Pittsburgh and Philadelphia offices. Ray joined NDC in 1975.

Amaryllis Park Place Phase I

 Owner  Developer  Sarasota, FL



Amaryllis Park Place Phase I is a new construction senior affordable housing development in Sarasota's Newtown neighborhood. The 84 one- and two- bedroom units are affordable to seniors ages 62 and older with annual incomes from 35% to 60% of AMI. The Amaryllis Park Place development site totals 14 acres and originally, contained 100-units of public housing that were in disrepair. Smith & Henzy worked with the Sarasota Housing Authority to craft a phasing plan for the site and remove portions from the Declaration of Trust, through HUD's Section 18 Demolition and Disposition program for Amaryllis Park Place Phase I and Section 22 Voluntary Conversion program for Amaryllis Park Place Phase II. Smith & Henzy is one of the first developers in the country to utilize the Section 22 Voluntary Conversion program. Smith & Henzy and the Sarasota Housing Authority completed construction on Amaryllis Park Place Phase I in early 2022 and the community is fully leased; Amaryllis Park Place Phase II is currently under construction and slated for completion in 2023.

 **\$22.2 million**
total development cost

 **84**
units

Development Type

Affordable Housing,
New Construction,
Senior Housing

Public Housing Repositioning Program

Section 18 and Section 22

Financing Sources

Competitive 9% LIHTC Equity,
Construction Loan, Freddie
Mac Permanent Loan,
Sarasota Housing Authority
Loan

Specialties

Public Housing Authority
Partnership

Sustainable Features

Transit-Oriented
Development, ICC 700
National Green Building
Standard

Project Team

Sarasota Housing Authority,
Hoyt Architects, JWR
Construction Services, NDC
Asset Management, Bank of
America, Walker & Dunlop,
Enterprise Community
Investment

Completion

Phase I: 2022
Phase II: 2023

Amaryllis Park Place Phase I

 Owner  Developer  Sarasota, FL



Lofts on Lemon Phase I

 Owner  Developer  Sarasota, FL



Lofts on Lemon, a project of Smith & Henzy's and the Sarasota Housing Authority's, is an innovative mixed-income project that utilizes a diversity of financing sources. Lofts on Lemon Phase I is a new construction, 128-unit, affordable workforce community for families in downtown Sarasota. The project is comprised of a five-story mid-rise building that contains a mix of one-, two-, and three-bedroom apartments for families with annual incomes from 30% to 80% AMI. Lofts on Lemon Phase I will offer a large community room for residents, an indoor gym, and a fifth-floor community media room with a balcony. Of the 128 units, 76 are tax credit units and the remaining 52 are workforce units with a preference for individuals that qualify for a local program called "Hometown Heroes," which aims to provide housing to local police officers, firefighters, teachers, and nurses. Construction will be complete on Lofts on Lemon Phase I in 2022. Smith & Henzy and the Sarasota Housing Authority are pursuing financing for Lofts on Lemon Phase II, with plans to begin construction in late 2023. To date, we have been awarded \$7 million in American Rescue Plan Act funds from Sarasota County.



\$33.5 million
total development cost



128
units

Development Type

Affordable Housing,
New Construction

Public Housing Repositioning Program

Section 18

Financing Sources

Competitive 9% LIHTC
Equity, Construction Loan,
Freddie Mac Permanent
Loan, Sarasota Housing
Authority Loan, Charles
& Margery Barancik
Foundation Funds

Specialties

Public Housing Authority
Partnership, Workforce
Housing

Sustainable Features

Transit Oriented
Development, ICC 700
National Green Building
Standard

Project Team

Sarasota Housing Authority,
Hoyt Architects, JWR
Construction Services, NDC
Asset Management, LLC,
Bank of America, Walker
& Dunlop

Completion

Phase I: 2022
Phase II: TBD

Lofts on Lemon Phase I

 Owner  Developer  Sarasota, FL



Palm Place Apartments

 Owner  Developer  Winter Haven, FL



In 2022, Smith & Henzy partnered with the Winter Haven Housing Authority to finalize the revitalization of Palm Place Apartments, a multi-building garden-style complex in Winter Haven, FL. This comprehensive rehabilitation project encompassed all 90 units, featuring upgraded interiors including new kitchens, bathrooms, flooring, and appliances. Additionally, enhancements were made to communal spaces, with fresh exterior paint and new roofs installed. The property now offers a total of 90 units, with 18 units allocated for those at 40% of the Area Median Income (AMI) and 72 units at 60% AMI. The diverse bedroom mix comprises 8 one-bedrooms, 40 two-bedrooms, and 42 three-bedrooms, ensuring a range of housing options for families in the area.

 **\$17 million**
total development cost

 **90**
units

Development Type

Affordable Housing,
Rehabilitation

Financing Sources

Competitive 9% LIHTC
Equity, Housing Authority
Loan, Seller's Note,
Permanent Loan

Specialties

Public Housing Authority
Partnership

Sustainable Features

FHFC Green Building
Guidelines

Project Team

Winter Haven Housing
Authority, JWR Construction
Services, Zyscovich
Architects, NDC Asset
Management

Completion

October 2022

Palm Place Apartments

 Owner  Developer  Winter Haven, FL



The logo for NDC Asset Management features a stylized 'NDC' in a bold, sans-serif font. The 'N' is composed of three geometric shapes: a square, a triangle, and a parallelogram. Below the 'NDC' is the text 'ASSET MANAGEMENT' in a smaller, bold, sans-serif font.

NDC

ASSET MANAGEMENT

June 21, 2024

To whom it may concern:

NDC Asset Management is aware of the proposed redevelopment of the Pensacola Motor Lodge and is qualified and willing to manage the property. NDC Asset Management has vast experience managing Low-Income Housing Tax-Credits properties, as well as properties housing homeless veterans. We enjoy working with Smith & Henzy Affordable Group and look forward to having the opportunity to manage this property.

A handwritten signature in black ink, appearing to read 'Richard Elwood'.

Richard Elwood
NDC Asset Management
Senior Vice President of Operations

1001 3rd Avenue West, Suite 200
Bradenton, FL 34205



EQUAL HOUSING
OPPORTUNITY

Development Program and Intent

Smith & Henzy Affordable Group is committed to creating a multifamily housing development that integrates seamlessly with the existing neighborhood context while prioritizing support for military personnel and veterans. Our proposed development will consist of a minimum of 84 units of new construction. The development will feature a 4-story, all one-bedroom mid-rise building with elevators, designed to serve a diverse community with varying income levels.

We understand the property is located in the Community Development District Urban Design Overlay District and has a C-3 Commercial Zoning Designation. As such, our proposal intends to include a 4-story building with 84 units and shall follow the design guidelines set forth in the CRA Urban Design Overlay District Ordinance. The project and building will be designed with an architectural character that is compatible with the heritage of the urban design area but also reflective of its time. We will work closely with staff on the architectural design, materials, and streetscape to ensure compatibility with these guidelines.

Our first priority is to fund this development utilizing 4% Low Income Housing Tax Credits in conjunction with a \$9.5 million SAIL loan from Florida Housing Finance Corporation, reserved for multifamily developments located near military installations. Should we be unsuccessful in securing Live Local Military Funding, we would continue our pursuit for tax credits by submitting applications for 9% tax credits, and 4% tax credits with SAIL.

Key aspects of the development include:

- ***Anticipated Housing Units:***

- o **Unit Type (Mix):** All one-bedroom units to accommodate singles and couples.
- o **Unit Square Footage:** All units will be 600 square feet, efficiently designed to maximize comfort and livability.
- o **Unit Features:** Each unit will be equipped with impact glass windows, luxury vinyl tile (LVT) flooring, Energy Star appliances, dishwashers, washer/dryer hookups, LED light fixtures, and stainless steel appliances, providing durability, energy efficiency, and enhanced aesthetic appeal.
- o **Reserved Units:** 50% of the units will be reserved for active duty military, those recently honorably discharged, and homeless veterans. Additionally, we are required to reserve 5% of the units specifically for homeless veterans. This commitment underscores our dedication to supporting those

who have served our country, providing them with stable, affordable housing options and a supportive community environment. We will collaborate closely with local military bases, veteran organizations, and social service providers to ensure these units are effectively allocated to those in need.

- o **Project-Based Vouchers:** We are requesting 25 project-based vouchers in this proposal. These vouchers are crucial for ensuring the affordability of units for the most vulnerable populations, including those making less than 50% of AMI.
- o **Households to be Served by Income Cohort (% of AMI):** The mix will include units for households at 30%, 60%, and 70% of AMI, averaging at 60% using income averaging. This allows for the inclusion of workforce housing. The breakdown is as follows:
 - o **30% AMI:**
 - Total Units: 15
 - Monthly Gross Rent per Unit: \$1,208
 - Utility Allowance: \$150
 - Monthly Net Rent per Unit: \$1,058
 - **Note:** We are requesting project-based vouchers for these 15 units. Residents making less than 50% of AMI will only pay 30% of their income, with HUD covering the remaining portion of the rent.
 - o **60% AMI:**
 - Total Units: 26
 - Monthly Gross Rent per Unit: \$1,087
 - Utility Allowance: \$150
 - Monthly Net Rent per Unit: \$937
 - **Note:** We are requesting project-based vouchers for 10 of these units. Residents making less than 50% of AMI will only pay 30% of their income, with HUD covering the remaining portion of the rent.
 - o **70% AMI:**
 - Total Units: 43

- Monthly Gross Rent per Unit: \$1,181
- Utility Allowance: \$150
- Monthly Net Rent per Unit: \$1,031

o *All Units:*

- Total Units: 84
- Weighted Avg. Monthly Gross Rent per Unit: \$1,157
- Utility Allowance: \$150
- Monthly Net Rent per Unit: \$1,007

Our team includes experienced architects who will ensure that the proposed site plans and architectural designs enhance the neighborhood's aesthetic and functional aspects.

Site Amenities and Enhancements

Narrative and Graphic Illustration: We envision a community-oriented development with amenities that enrich resident experiences and promote a vibrant, active lifestyle. Key features include:

- **Community Center:** A central hub for social activities and events, fostering community engagement.
- **Fitness Area:** Modern fitness facilities to support healthy living.
- **Facilities for Social Services:** Spaces dedicated to providing essential services and support to residents, including assistance tailored to veterans and active duty military personnel.
- **Dining and Recreational Spaces:** Anticipated community spaces such as dining areas and recreational activity rooms to cater to the veteran and active duty population who may wish to congregate and socialize.
- **Pedestrian Plaza and Park:** A pedestrian plaza and adjacent parks, including a veterans park, enhance the community feel and provide ample outdoor space for relaxation and socializing.

Proposed Improvements:

- Mobility Enhancements:
 - *Building Orientation:* Structures oriented to front Cervantes Street, enhancing street activity and accessibility.
 - *Massing:* Thoughtful building massing to create a harmonious streetscape.
- Activation of Street-Fronts:
 - *Community Space:* Areas designated for communal activities and gatherings.
 - *Fitness Center and Green Space:* Recreational spaces that promote physical activity and relaxation.
 - *Pedestrian Forecourt and Patio Spaces:* Inviting outdoor areas that encourage social interaction and pedestrian activity.
- Common Areas and Amenities:
 - *Common Areas:* Shared spaces for relaxation and interaction among residents.
 - *Patio Spaces:* Private and semi-private outdoor areas for individual and small group use.

Parking Solutions:

- *Surface Parking:* 78 strategically located surface parking spots to meet the needs of residents and visitors while minimizing impact on the neighborhood.

Compliance with CRA Urban Design Overlay Standards

Our development plan adheres to the CRA Urban Design Overlay Standards, ensuring that the project contributes positively to the urban fabric of the neighborhood. The design integrates well with the existing context, enhances mobility, and activates street-fronts to create a lively, welcoming environment.

Affordability Period

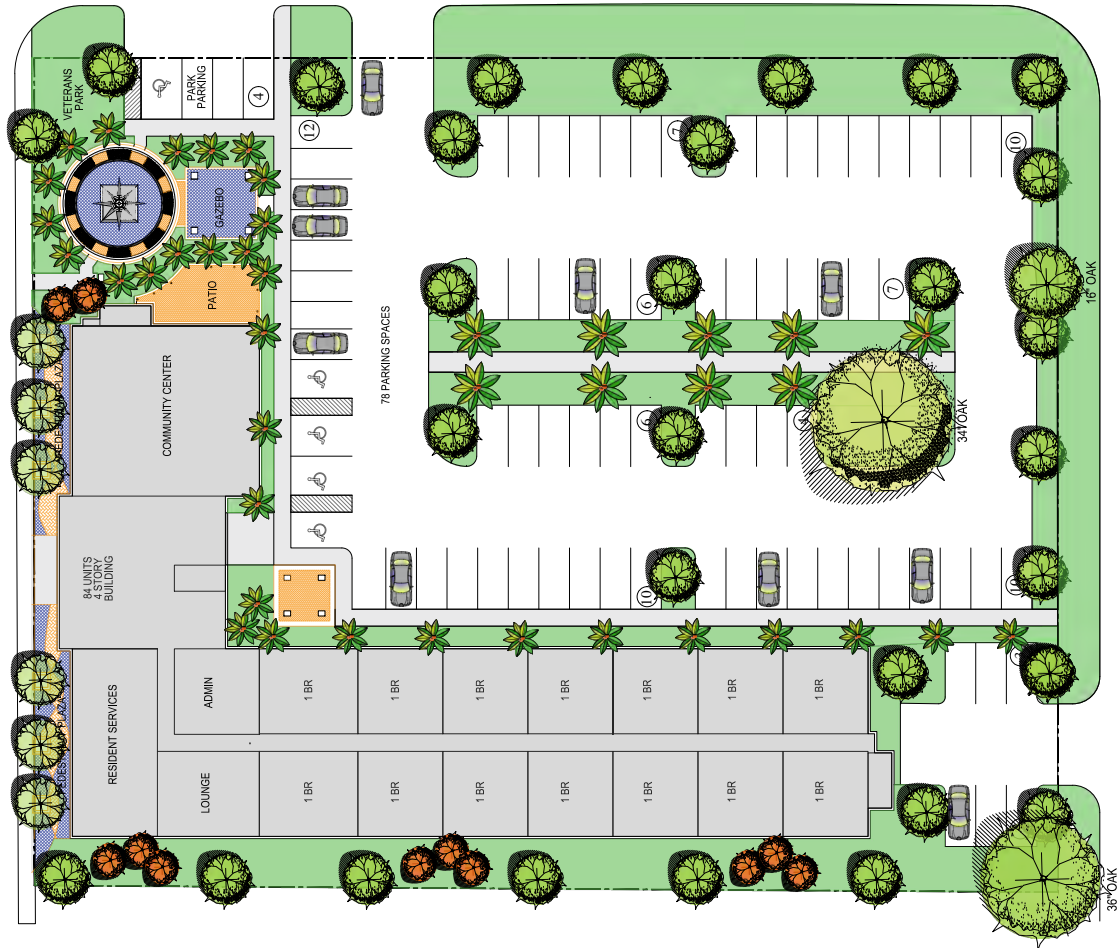
To ensure long-term affordability, our development will include a required minimum affordability period of 50 years. This commitment guarantees that the housing units remain accessible and affordable to low and moderate-income households over the long term, supporting the city's goals of providing stable and inclusive housing options.

Commitment to WMBE/Section 3 Participation

We are committed to promoting diversity and inclusion in our project by aiming for WMBE (Women and Minority Business Enterprise) and Section 3 participation of 20% of total costs. While this goal is based on best efforts and cannot be guaranteed, we have consistently exceeded this percentage in other jurisdictions by prioritizing the hiring of these firms. We will make our best effort to achieve this goal contingent on pricing and timing, reinforcing our dedication to creating equitable opportunities within the community.

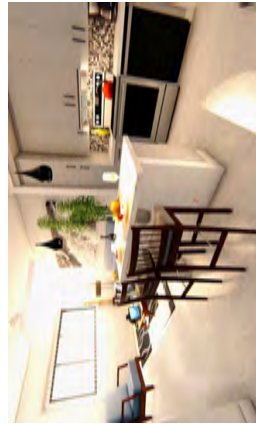
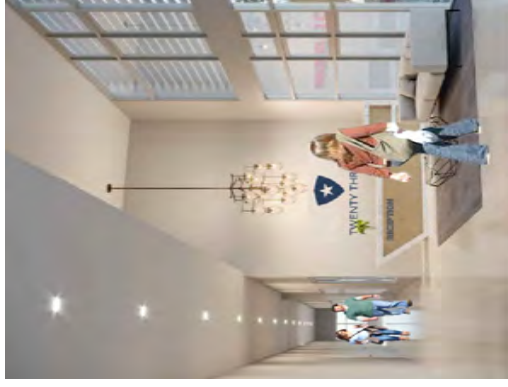
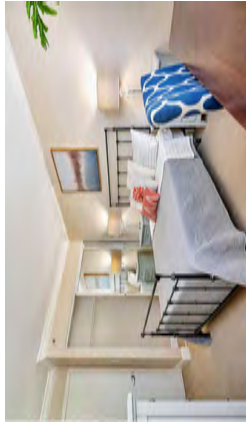
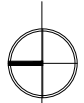
Note: Please see the site plan on the following page

WEST CERVANTES STREET



WEST GADSDEN STREET

CONCEPTUAL SITE PLAN



EXAMPLE BUILDING DESIGN IMAGES



Marketing and Management Approach

Smith & Henzy Affordable Group is dedicated to delivering high-quality, affordable multifamily rental housing through strategic marketing and exceptional management practices. Our approach integrates market analysis, targeted outreach, and comprehensive property management to ensure high occupancy rates and resident satisfaction.

Marketing Approach: Our marketing strategy is built on understanding the local market dynamics and leveraging a combination of digital and traditional marketing channels to reach our target audience. Key components include:

1. **Market Analysis:** Conducting thorough market research to identify the demand for affordable and workforce housing in the area, and to understand the demographic and economic characteristics of potential residents. We will cap rents at 70% AMI to ensure the ability to lease up quickly and attract a broad range of tenants.
2. **Digital Marketing:** Utilizing online platforms such as Apartments.com, AffordableHousing.com, social media, and online news outlets to reach prospective tenants. This includes maintaining a user-friendly website with online application processes and active engagement on social media channels.
3. **Community Outreach:** Partnering with local organizations, employers, and community groups to promote the housing development and attract residents. This includes hosting informational sessions and participating in community events.
4. **Traditional Marketing:** Using print media, flyers, and signage to raise awareness about the development. We also collaborate with local media outlets to feature stories about the project.
5. **Referral Programs:** Since 50% of the units will be reserved for active duty military, recently honorably discharged, and homeless veterans, we will sign a Memorandum of Understanding (MOU) with NAS Pensacola housing and other Supportive Services for Veteran Families (SSVF) groups to establish a pipeline for residents. This partnership will streamline the process of finding and placing eligible residents in these units.

Management Approach: Our property management approach, facilitated by NDC Asset Management, focuses on creating a safe, supportive, and vibrant community for residents. Key aspects include:

1. **Resident Services:** Offering a range of services and amenities that cater to the needs of residents, including social services, fitness facilities, and community

events. We are actively speaking with a number of homeless veterans groups to establish a framework of thorough supportive services to assist the homeless veterans that will be moving into the property.

2. **Maintenance and Upkeep:** Ensuring timely and efficient maintenance of the property to provide a high standard of living. This includes regular inspections, prompt repairs, and maintaining common areas.
3. **Tenant Engagement:** Fostering a sense of community through regular communication and engagement with residents. This includes feedback surveys, community meetings, and a dedicated property management team on-site.
4. **Compliance and Reporting:** Adhering to all local, state, and federal regulations regarding affordable housing. We ensure all reporting requirements are met and maintain transparency with stakeholders.
5. **Project-Based Vouchers:** We request 25 project-based vouchers to support the economic viability of the project while providing financial assistance to homeless veterans. These vouchers will ensure that residents do not pay more than 30% of their income on housing, making it more accessible and affordable for those in need.

Key Team Members:

1. ***Tina Burks, Marketing & Compliance Director:***

- o **Bio:** Tina Burks joined NDC Asset Management in December 2007 as a Tax Credit Specialist and was later promoted to Director of Compliance (Southern Division). With 29 years in the Property Management industry, she has extensive experience in all aspects of management, including Market Rate, Project-Based Section 8, and LIHTC communities (both rehab and new construction). Tina's responsibilities include training, monitoring, and working with Site and Property Managers of LIHTC properties to ensure compliance.
- o **Role:** Overseeing all marketing activities, including market analysis, strategy development, and implementation of marketing campaigns.

2. ***Property Manager: TBD***

- o **Role:** Responsible for the day-to-day operations of the property, resident services, maintenance, and tenant engagement.

3. ***Leasing Manager: TBD***

- o Role: Managing the leasing process, from initial inquiry to lease signing, and ensuring high occupancy rates through effective tenant acquisition strategies.

4. ***Celia Gunn-Zaboli, Vice President of Operations for Smith & Henzy***

- o Bio: Celia manages the operations of Smith & Henzy's Florida office, overseeing projects from construction commencement to stabilized operations. She played a pivotal role in growing the firm's execution phase capacity and has placed over 1,400 units of affordable housing in service, with a combined development cost of over \$250 million. Currently, Celia is moving 1,100 additional units through various stages of construction. Prior to joining Smith & Henzy, she worked at The Michaels Organization, specializing in LIHTC and PHA redevelopment in the Southeast.
- o Role: Overseeing the lease-up effort with weekly calls, working hand in hand with the management team to ensure we are on schedule for a healthy lease-up.

Demonstrated Experience

Smith & Henzy Affordable Group and NDC Asset Management have a proven track record in the marketing and management of affordable, workforce, and attainable multifamily rental housing developments of comparable size and scale. Key projects include:

1. ***Lofts on Lemon, Sarasota, FL:*** Managed the leasing and operations of a 128-unit development, including 76 tax credit and 52 workforce housing units. This project was particularly complex due to its mixed-income nature, but we successfully navigated these challenges to achieve a balanced and thriving community.
2. ***Amaryllis Park Place, Sarasota, FL:*** Oversees the management of 84 senior housing units, providing a range of resident services and community activities.
3. ***Manchester Apartments, Tampa, FL:*** Managed by NDC Asset Management, this 36-unit development is solely made up of formerly homeless veterans.
4. ***Southland Apartments, Tampa, FL:*** Managed by NDC Asset Management, this 48-unit development reserves 50% of the units for veterans.

Our underlying marketing approach, vision, and management strategy for this site are centered on creating a vibrant, supportive community that meets the needs of its residents while maintaining high standards of quality and efficiency.

Project Timing:

8/1/2024:

- Execute development agreement with the City.
- Receive site control.

8/1/2024 - 9/4/2024:

- Finalize the tax-credit application for \$9.5 million in Live Local SAIL Military funds.
- 9/4/2024: Application due.

10/1/2024:

- FHFC makes recommendations on funding to the board.

12/1/2024:

- Protest period should conclude and award will be official.

3/1/2025:

- Secure commitments from equity and debt investors/lenders.

4/1/2025:

- Architect finalizes plans and submits for permitting.

6/1/2025:

- Sign contract with general contractor.

8/1/2025:

- Receive permit-ready letter.

9/1/2025:

- Financial closing.

9/15/2025:

- Begin construction.

December 2026:

- Begin lease-up activities.

April 2027:

- Final site work, including landscaping and paving.
- Obtain Certificate of Occupancy.

June 2027:

- Achieve full occupancy.

August 2027:

- Convert to permanent financing.

Ongoing:

- Marketing and community engagement efforts.

Summary

This comprehensive project timeline ensures that the development proceeds efficiently and meets all necessary requirements for entitlements, regulatory approvals, and construction. Our team is committed to delivering a high-quality project on schedule and in line with the City's objectives.

Financial Requirements

Smith & Henzy Affordable Group is prepared to provide sufficient evidence of our financial capacity to complete the proposed project in a timely fashion and to provide long-term financial support after the project is built. We understand the importance of demonstrating our ability to secure the necessary financial resources to ensure the successful development of the property.

Evidence of Financial Capacity:

1. Financial Statements:

- o Smith & Henzy Affordable Group will provide financial statements, signed by an authorized executive of the company. These statements will demonstrate our financial stability and capacity to undertake and complete the project. These will be sent with the proposal, as a separate file given the sensitive nature of financial information. In addition, Darren Smith and Timothy Henzy provide personal guarantees on all Smith & Henzy developments. Upon request, we would be happy to share their personal financials.

2. Letters from Banks and Equity Sources:

- o We are including signed letters from reputable banks and equity sources, on their letterhead, detailing their experience working with us on similar or larger projects. These letters will express their willingness to consider funding the property, subject to successful negotiations and due diligence. Key elements of these letters will include:
 - Confirmation of verifiable funds available to complete the project.
 - A summary of the bank's or equity source's experience in financing similar-sized or larger projects.
 - An expression of interest in providing financial support for the proposed development.

Long-term Financial Support: Smith & Henzy Affordable Group has a proven track record of not only completing projects on time but also providing ongoing financial support to ensure the long-term success of our developments. Our partnership with NDC Asset Management ensures robust property management and financial oversight, contributing to the sustained viability of the project.

Supporting Documentation: To further substantiate our financial capacity, we will provide the following supporting documentation:

We are confident in our ability to secure the necessary financial resources and are committed to delivering a successful project that aligns with the City's objectives. The provided documentation will offer comprehensive evidence of our financial strength and readiness to proceed with the development.

RAYMOND JAMES

June 20, 2024

Mr. Darren Smith
Smith & Henzy Affordable Group, Inc.
1100 NW 4th Avenue,
Delray Beach, FL 33444

Re: Project: Redevelopment of Pensacola Motor Lodge
 Company/Applicant: To be determined
 Fund: To be determined
 Project Location: Escambia County, Florida

Dear Mr. Smith,

This letter of intent for construction and permanent financing will confirm our agreement (“Agreement”) whereby Raymond James Affordable Housing Investments, Inc. (“RJAHI”) shall attempt to effect a closing (“Closing”) of an investment by a Fund sponsored by RJAHI (the “RJAHI Fund”) in the above named company (“Company”) on the assumptions, terms, and conditions contained in this letter of intent, or such other assumptions, terms and conditions as are acceptable to you, RJAHI and the RJAHI Fund.

Based upon the Company receiving \$1,278,238 in annual low income housing tax credits, and further based on terms and conditions as set forth below, the anticipated total equity investment of the RJAHI Fund in the Project is \$11,247,371 or \$0.88 per low income housing tax credit allocated to the RJAHI Fund, subject to market conditions. The Applicant is the beneficiary of the equity proceeds. The RJAHI Fund anticipates purchasing \$12,781,103 (99.99%) of the total low income housing tax credits allocated to the Applicant. The RJAHI Fund’s net investment is anticipated to be funded based upon the following schedule:

- 15% (\$1,687,106) paid prior to or simultaneous with the closing of construction financing
- 60% (\$6,748,423) paid at 100% construction completion
- Balance (\$2,811,842) paid at project stabilization and receipt of 8609s
- The amount of equity to be paid prior to construction completion shall be \$1,687,106.

This letter of intent is subject to RJAHI’s satisfactory completion of its normal due diligence, and is also subject to the approval by the Investment Committee of RJAHI of the terms and conditions of the investment in its sole discretion based on then current market conditions, including availability of investment funds and pricing for tax credits.

Raymond James Affordable Housing Investments, Inc.
A Subsidiary of Raymond James Financial, Inc.

880 Carillon Parkway • St. Petersburg, FL 33716
800-438-8088 Toll Free • 727-567-8455 Fax
Visit our Web Site at www.RJAHl.com

Since 1987, Raymond James Affordable Housing Investments and our affiliates have been involved with the development of affordable housing. We have provided equity for over 2,300 tax credit properties nationwide. We look forward to working with you.

Sincerely,

A handwritten signature in black ink, appearing to be 'SJ' with a stylized flourish.

Sean Jones
VP - Director of Acquisitions
Raymond James Affordable Housing Investments, Inc.

Acknowledged and Accepted:

By:

Name: Darren Smith

Title: President

June 21, 2024
VIA ELECTRONIC MAIL

Smith & Henzy Affordable Group Inc.
1100 NW 4th Ave
Delray Beach, FL 33444
Attn: Drew Krinsky

Ladies and Gentlemen,

Citibank, N.A. ("Citi") is providing this letter in support of Smith & Henzy Affordable Group Inc.'s ("Smith & Henzy" or "Sponsor") response to submit an application to Escambia County for Live Local Military Funds to be used in conjunction with a \$14,000,000 construction to \$4,200,000 permanent loan to fund the new construction of a minimum 80-unit development named "Redevelopment of Pensacola Motor Lodge" ("The Project"). Based on Citi's preliminary review and discussions with the Sponsor, Citi supports its submission and may be interested in providing debt financing to the project (the "Project"), subject to Citi's internal loan review, underwriting, and credit approval process.

Citi Community Capital ("CCC"), a line of business within Citi, finances both flow project finance and highly structured transactions for non-profit and for-profit affordable housing developers, Community Development Financial Institutions, and state and local government agencies. CCC has been ranked #1 among affordable housing lenders in the U.S. the last 14 years. In 2023 alone, CCC closed approximately 228 transactions consisting of over 35,000 units all through the United States. These transactions financed new construction or rehabilitation of both affordable and mixed-income multifamily developments as well as mixed-use projects. CCC has closed 2 deals with Smith & Henzy as the sponsor since 2021 totaling more than \$30 million in construction and permanent financing.

This letter is not intended to be, and shall not constitute, a commitment to lend, syndicate a financing, underwrite, or purchase securities, commit capital, or provide or arrange any portion of the financing for the Project. Such obligations would arise only under separate written agreements acceptable to Citi in its sole discretion. Furthermore, any such commitment would be subject to, among other things, (a) the satisfactory completion of Citi's customary due diligence review; (b) approval by Citi internal committees; (c) the receipt of any necessary governmental, contractual and regulatory consents or approvals in connection with the Project and the related financing; (d) the negotiation and documentation of the financing referred to above, including the terms and conditions of the financing, in form and substance satisfactory to Citi and its counsel; and (e) there not having occurred any disruption of or change in financial, banking or capital market conditions that, in Citi's judgment, could make it inadvisable or impractical to proceed with any portion of the financing of the Project.

Neither Citi nor any of its affiliates shall have any liability (whether direct or indirect, or in contract, tort or otherwise) to the Sponsor, the Project, or any other person, claiming through the Sponsor or the Project, as the case may be, for or in connection with the delivery of this letter.

In connection with this transaction, Citi will be acting solely as a principal and not as your agent, advisor or fiduciary. Citi has not assumed a fiduciary responsibility with respect to this transaction, and nothing in this transaction or in any prior relationship between you and Citi will be deemed to create an advisory, fiduciary or agency relationship between us in respect of the Project. You should consider carefully whether you would like to engage an independent advisor to represent or otherwise advise you in connection with the Project, if you have not already done so.

Smith & Henzy Affordable Group Inc.
Redevelopment of Pensacola Motor Lodge
June 21, 2024
Page 2

Please feel free to contact Adam Hurwitz at 561.347.3231 / Adam.R.Hurwitz@Citi.com with any specific questions or concerns.

Sincerely,
Citibank, N.A.

Adam Hurwitz
Adam Hurwitz
Authorized Signatory

PML Lease and Financial Proforma

Construction and Permanent Financing Assumptions:

We estimate that the total construction cost will be \$15 million, which will be financed using tax-exempt bonds from the Escambia County Housing Finance Authority. Additionally, we anticipate generating just under \$12 million of tax-credit equity by utilizing 4% tax-credits.

To acquire the land, we intend to structure a capitalized lease payment over 35 years, thus utilizing a seller note as a source that matches our acquisition price of \$1,050,000. We also plan to receive \$9.5 million in SAIL money should we be successful in securing funding in the RFA.

Smith & Henzy Affordable Group proposes to enter into a long-term 35-year ground lease with the CRA. At the financial closing, a capitalized lease payment based on the as-is appraised value, currently estimated to be \$1,050,000, will be made. A seller's note will be provided by the CRA and utilized to pay for the capitalized lease payment. The terms of the seller's note will be as follows: interest at the Applicable Federal Rate (AFR), currently 3.92%, and paid from 10% of available cash flow. This structure ensures that the financing aligns with the long-term viability and affordability goals of the project while providing a feasible financial plan.

Lastly, we will use deferred development fees as an additional financing source.

Sources & Uses:			
Sources of Funds: Construction			
		Total	Per Unit
Construction Loan	\$	15,000,000	\$ 178,571
Tax Credit Equity	\$	1,753,773	\$ 20,878
Seller's Note	\$	1,050,000	\$ 12,500
FHFC SAIL Loan	\$	9,500,000	\$ 113,095
Deferred Development Fee	\$	1,170,642	\$ 13,936
Total Sources of Funds	\$	28,474,416	\$ 338,981
Sources of Funds: Permanent			
		Total	Per Unit
Permanent Loan	\$	4,500,709	\$ 53,580
Tax Credit Equity	\$	11,691,822	\$ 139,188
Seller's Note	\$	1,050,000	\$ 12,500
FHFC SAIL Loan	\$	9,500,000	\$ 113,095
Deferred Development Fee	\$	1,731,885	\$ 20,618
Total Sources of Funds	\$	28,474,416	\$ 338,981
Uses of Funds:			
		Total	Per Unit
Capitalized Lease Payment	\$	1,050,000	\$ 12,500
Hard Cost	\$	17,753,904	\$ 211,356
Soft Cost	\$	5,246,195	\$ 62,455
Reserves	\$	275,299	\$ 3,277
Development Fee	\$	4,149,018	\$ 49,393
Total Uses of Funds	\$	28,474,416	\$ 338,981

Operating Pro Forma

Our operating pro forma provides a detailed financial projection for the proposed development, highlighting the expected income and expenses over the operational period. This analysis ensures that the project is financially viable and sustainable in the long term.

Income:

- **Gross Potential Rent:** The total potential rent from the 84 units is projected at \$1,014,864 annually
- **Total Economic Vacancy:** We carry a 5% vacancy rate, resulting in a vacancy loss of \$50,743.
- **Net Rental Income:** After accounting for vacancies, the net rental income is expected to be \$964,121.
- **Other Income:** Additional income from laundry and vending services is estimated at \$4,200 annually.

Expenses:

- **Insurance:** Projected at \$147,000 annually.
- **Utilities (Electricity, Water & Sewer, Trash Removal):** Total utility costs are estimated at \$37,800 annually. Residents will have a utility allowance subtracted from their rent, and thus, we are only covering common area utilities.
- **Maintenance and Repairs:** Including pest control, building maintenance, and supplies, the total maintenance and repair costs are projected at \$59,722 annually.
- **Payroll and Management:** Total payroll costs, including taxes and benefits, are projected at \$153,600 annually. Non-resident management fees are estimated at \$48,416 annually.
- **Other Operating Expenses:** These include legal and audit fees, general and administrative costs, advertising, and compliance monitoring fees, totaling \$71,932 annually.
- **Support Services/Amenities:** Estimated at \$25,200 annually.

Summary:

- **Total Operating Expenses (including Replacement Reserves):** The total annual operating expenses, including replacement reserves, are projected at \$565,570.

- Net Operating Income (NOI): After accounting for all operating expenses, the projected net operating income is \$402,751 annually.

Operating Pro Forma

Operating Detail:	Pro Forma	
INCOME:	\$	\$/Unit
Gross Potential Rent	\$1,014,864	\$12,082
Less: Physical Vacancy	(\$50,743)	5.00%
Less: Concessions		0.00%
Less: Collection Loss		0.00%
Total Economic Vacancy	(\$50,743)	5.00%
Net Rental Income	\$964,121	\$11,478
Laundry & Vending	\$4,200	\$50
Tenant Charges		\$0
Parking / Carport		\$0
Cable		\$0
Retail	\$0	\$0
Community Services Space		\$0
Total Other Income	\$4,200	\$50
Effective Gross Income	\$968,321	\$11,528
EXPENSES:		
Real Estate Taxes	\$0	\$0
Other Taxes or Assessments	\$0	\$0
Insurance	\$147,000	\$1,750
Licenses & Permits		\$0
Ground Rent		\$0
Gas		\$0
Electricity	\$12,600	\$150
Water & Sewer	\$12,600	\$150
Trash Removal	\$12,600	\$150
Pest Control	\$4,922	\$59
Building Maintenance & Repair	\$42,000	\$500
Interior & Exterior Decorating - Painting	\$10,500	\$125
Supplies & Cleaning Expense	\$6,300	\$75
Elevator Maintenance	\$6,300	\$75
Pool Maintenance		\$0
Parking Lot Maintenance / Snow Removal		\$0
Grounds / Landscaping	\$8,400	\$100
Non Resident Management	\$48,416	5.00%
Resident Manager Salary		\$0
Security		\$0
Payroll	\$120,000	\$1,429
Payroll Taxes & Benefits	\$33,600	\$400
Apartment Allowance		\$0
Advertising	\$10,500	\$125
Legal & Audit	\$15,000	\$179
General & Administrative	\$21,000	\$250
FHFC Compliance Monitoring Fee	\$3,432	\$41
Support Services / Amenities	\$25,200	\$300
Total Operating Expenses	\$540,370	\$6,433
Replacement Reserves	\$25,200	\$300
Total Operating Expenses incl Reserves	\$565,570	\$6,733
SUMMARY EXPENSES:		
MANAGEMENT	\$48,416	\$576
ADMINISTRATION	\$75,132	\$894
PAYROLL	\$153,600	\$1,829
UTILITIES	\$12,600	\$150
WATER & SEWER	\$12,600	\$150
REPAIR & MAINTENANCE	\$91,022	\$1,084
INSURANCE	\$147,000	\$1,750
REAL ESTATE TAXES	\$0	\$0
REPLACEMENT RESERVES	\$25,200	\$300
Total Expenses incl. Reserves	\$565,570	\$6,733
Net Operating Income	\$402,751	\$4,795

Summary

The detailed operating pro forma demonstrates that the proposed development is financially sound, with a robust income stream and carefully managed expenses. The projected net operating income indicates the potential for a stable and profitable operation, ensuring the long-term viability of the project. The pro forma also highlights our commitment to maintaining high-quality living conditions through adequate allocation for maintenance, repairs, and support services. Additionally, residents will have a utility allowance subtracted from their rent, meaning the project will only cover common area utilities, further optimizing operating costs. By qualifying for the removal of real property taxes, we ensure the financial sustainability and success of the development without making significant sacrifices that would impact the viability and quality of the housing provided.

Property Tax Exemption Necessity

Due to the affordability set-asides, we qualify for the removal of real property taxes. While we understand that the city would prefer property tax income, it is crucial to recognize that the development cannot support these taxes without significant sacrifices that would undermine the project's goals and long-term sustainability.

Incorporating property taxes into the financial model would necessitate a shift away from the mixed-income approach that aligns with the city's objectives. Specifically:

1. *Reduced Unit Count:*

- o To balance the additional financial burden of property taxes, we would need to reduce the total number of units. This reduction directly impacts the number of affordable housing units available to the community. We estimate we would need to cut a minimum of 6 units.

2. *Limiting to Low-Income Housing:*

- o The development would need to shift focus solely to low-income housing, capping rents at 60% AMI. This change, although necessary to qualify for additional state funding, would contradict the city's desire for mixed-income housing. It would exclude vital workforce housing (70% AMI units) and disrupt the intended mixed-income community that fosters economic diversity and resilience.

3. *Economic Instability:*

- o With the inclusion of property taxes, the development would face an annual decline in cash flow, jeopardizing the project's financial health. This

instability could lead to deferred maintenance, reduced services, and an overall decline in the quality and sustainability of the housing provided.

By prioritizing the exemption from property taxes, the project can maintain its intended unit count, support a mixed-income community, and ensure long-term financial stability. This approach aligns with the city's goals of providing diverse and sustainable housing options while fostering a stable economic environment.

Financial Analysis

To illustrate the impact of property taxes on the project's viability, we will present two 20-year cash flow charts:

1. *Without Property Taxes:*

- o This chart demonstrates a financially healthy development with positive cash flow, supporting the project's long-term economic stability and the ability to provide high-quality affordable housing.

2. *With Property Taxes:*

- o This chart reveals the negative economic impact of including property taxes, showing a development with negative cash flow after debt service coverage. The added financial burden leads to significant economic strain, making the project unsustainable.

Proforma w/o Taxes



Palmdale, CA

Lease-Up	Stabilization										Year 15	Year 16	Year 17	Year 18	Year 19	Year 20					
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10							Year 11	Year 12	Year 13	Year 14	
6/1/2026	6/1/2027	6/1/2028	6/1/2029	6/1/2030	6/1/2031	6/1/2032	6/1/2033	6/1/2034	6/1/2035	6/1/2036	6/1/2037	6/1/2038	6/1/2039	6/1/2040	6/1/2041	6/1/2042	6/1/2043	6/1/2044	6/1/2045	6/1/2046	
5/31/2025	5/31/2026	5/31/2027	5/31/2028	5/31/2029	5/31/2030	5/31/2031	5/31/2032	5/31/2033	5/31/2034	5/31/2035	5/31/2036	5/31/2037	5/31/2038	5/31/2039	5/31/2040	5/31/2041	5/31/2042	5/31/2043	5/31/2044	5/31/2045	5/31/2046
Residential Absorption:																					
Net Units Absorbed	59,400	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Rooms Rented	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84
Average Occupancy	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Real Per Rentable SF	\$ 20.14	\$ 20.14	\$ 20.14	\$ 20.14	\$ 21.37	\$ 22.23	\$ 22.68	\$ 23.13	\$ 23.59	\$ 24.06	\$ 24.55	\$ 25.04	\$ 25.54	\$ 26.05	\$ 26.57	\$ 27.10	\$ 27.64	\$ 28.20	\$ 28.76	\$ 29.33	\$ 29.93
Year 1 - Year 30																					
GRAND TOTAL																					
Revenue:																					
33% AMI Rental Revenue	\$ 190,404	\$ 190,404	\$ 190,404	\$ 190,404	\$ 190,404	\$ 190,404	\$ 190,404	\$ 190,404	\$ 190,404	\$ 190,404	\$ 190,404	\$ 190,404	\$ 190,404	\$ 190,404	\$ 190,404	\$ 190,404	\$ 190,404	\$ 190,404	\$ 190,404	\$ 190,404	\$ 190,404
60% AMI Rental Revenue	\$ 292,464	\$ 292,464	\$ 292,464	\$ 292,464	\$ 292,464	\$ 292,464	\$ 292,464	\$ 292,464	\$ 292,464	\$ 292,464	\$ 292,464	\$ 292,464	\$ 292,464	\$ 292,464	\$ 292,464	\$ 292,464	\$ 292,464	\$ 292,464	\$ 292,464	\$ 292,464	\$ 292,464
70% AMI Rental Revenue	\$ 2,116,371	\$ 531,996	\$ 531,996	\$ 531,996	\$ 531,996	\$ 531,996	\$ 531,996	\$ 531,996	\$ 531,996	\$ 531,996	\$ 531,996	\$ 531,996	\$ 531,996	\$ 531,996	\$ 531,996	\$ 531,996	\$ 531,996	\$ 531,996	\$ 531,996	\$ 531,996	\$ 531,996
80% AMI Rental Revenue	\$ 37,624,826	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864
Commercial Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Parking Revenue	\$ 37,624,826	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864
Total Gross Rental Revenue	\$ 77,624,826	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864	\$ 1,014,864
Operating Expenses:																					
Total Payroll & Benefits	\$ 7,009,215	\$ 153,600	\$ 153,600	\$ 153,600	\$ 162,954	\$ 172,678	\$ 183,406	\$ 188,909	\$ 194,576	\$ 200,413	\$ 206,426	\$ 212,618	\$ 218,997	\$ 225,567	\$ 232,334	\$ 239,304	\$ 246,483	\$ 253,877	\$ 261,494	\$ 269,339	\$ 277,406
Total Utility Expenses	\$ 1,164,715	\$ 25,200	\$ 25,200	\$ 25,200	\$ 25,200	\$ 25,200	\$ 25,200	\$ 25,200	\$ 25,200	\$ 25,200	\$ 25,200	\$ 25,200	\$ 25,200	\$ 25,200	\$ 25,200	\$ 25,200	\$ 25,200	\$ 25,200	\$ 25,200	\$ 25,200	\$ 25,200
Total Maintenance Expenses	\$ 4,184,171	\$ 68,266	\$ 68,266	\$ 68,266	\$ 68,266	\$ 68,266	\$ 68,266	\$ 68,266	\$ 68,266	\$ 68,266	\$ 68,266	\$ 68,266	\$ 68,266	\$ 68,266	\$ 68,266	\$ 68,266	\$ 68,266	\$ 68,266	\$ 68,266	\$ 68,266	\$ 68,266
Total Insurance Expenses	\$ 6,794,171	\$ 147,000	\$ 147,000	\$ 147,000	\$ 147,000	\$ 147,000	\$ 147,000	\$ 147,000	\$ 147,000	\$ 147,000	\$ 147,000	\$ 147,000	\$ 147,000	\$ 147,000	\$ 147,000	\$ 147,000	\$ 147,000	\$ 147,000	\$ 147,000	\$ 147,000	\$ 147,000
Total Marketing Expenses	\$ 1,000,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Total Management Fees	\$ 2,987,217	\$ 64,532	\$ 64,532	\$ 64,532	\$ 64,532	\$ 64,532	\$ 64,532	\$ 64,532	\$ 64,532	\$ 64,532	\$ 64,532	\$ 64,532	\$ 64,532	\$ 64,532	\$ 64,532	\$ 64,532	\$ 64,532	\$ 64,532	\$ 64,532	\$ 64,532	\$ 64,532
Management Fees	\$ 1,958,610	\$ 49,221	\$ 49,221	\$ 49,221	\$ 49,221	\$ 49,221	\$ 49,221	\$ 49,221	\$ 49,221	\$ 49,221	\$ 49,221	\$ 49,221	\$ 49,221	\$ 49,221	\$ 49,221	\$ 49,221	\$ 49,221	\$ 49,221	\$ 49,221	\$ 49,221	\$ 49,221
Reserve Replacement	\$ 903,933	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Expenses	\$ 25,566,810	\$ 507,919	\$ 507,919	\$ 507,919	\$ 507,919	\$ 507,919	\$ 507,919	\$ 507,919	\$ 507,919	\$ 507,919	\$ 507,919	\$ 507,919	\$ 507,919	\$ 507,919	\$ 507,919	\$ 507,919	\$ 507,919	\$ 507,919	\$ 507,919	\$ 507,919	\$ 507,919
Net Operating Income:	\$ 10,926,281	\$ 476,499	\$ 476,499	\$ 476,499	\$ 476,499	\$ 476,499	\$ 476,499	\$ 476,499	\$ 476,499	\$ 476,499	\$ 476,499	\$ 476,499	\$ 476,499	\$ 476,499	\$ 476,499	\$ 476,499	\$ 476,499	\$ 476,499	\$ 476,499	\$ 476,499	\$ 476,499
1st Mortgage Debt Service:																					
Permanent Loan	\$ 9,733,150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Debt Service	\$ 9,733,150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Cash Flow After Debt Service	\$ 1,193,131	\$ 476,499	\$ 476,499	\$ 476,499	\$ 476,499	\$ 476,499	\$ 476,499	\$ 476,499	\$ 476,499	\$ 476,499	\$ 476,499	\$ 476,499	\$ 476,499	\$ 476,499	\$ 476,499	\$ 476,499	\$ 476,499	\$ 476,499	\$ 476,499	\$ 476,499	\$ 476,499

Pro forma w/ Taxes



 Vital Brookdale Apartments, New York

6/23/2024



smithhenzy.com



Smith & Henzy Affordable Group

**REAL PROPERTY LEASE
AT
2305 W. CERVANTES STREET
BETWEEN**

SMITH & HENZY AFFORDABLE GROUP, INC.

AND

CITY OF PENSACOLA, FLORIDA

EFFECTIVE DATE: _____, 2024

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EXHIBIT B - LEGAL DESCRIPTION OF ADDITIONAL LAND

REAL PROPERTY LEASE

THIS REAL PROPERTY LEASE (this “Lease”) is hereby made and entered into as of the Effective Date (hereinafter defined), by and between **SMITH & HENZY AFFORDABLE GROUP, INC.**, a Florida corporation (the “Company”), and the **CITY OF PENSACOLA, FLORIDA**, a Florida municipal corporation (the “City”). The City and the Company may, from time to time, be referred to in this Lease individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, the City is the owner of that certain real property located at 2305 W. Cervantes Street, Pensacola, Florida (“Land”), as more particularly depicted and described in Exhibit A attached hereto and made a part hereof by reference;

WHEREAS, certain building and improvements currently exist upon the Land and are in a state of disrepair and economic inactivity, and the areas and community surrounding the Land will benefit from the redevelopment of the Land;

WHEREAS, the City and its residents are currently facing a shortage of affordable housing inventory, and it is in the best interest of the community for the City to encourage and support the development and operation of additional affordable housing within City limits; and

WHEREAS, the Company desires to lease the Land from the City to redevelop and transform the Land from its current blighted condition into an affordable multi-family housing development, to be used to meet the affordable housing needs of the local community, in accordance with the terms and conditions of this Lease and with the City’s Westside Community Redevelopment Area Plan dated April, 2007; and

WHEREAS, such redevelopment of the Land is in the best interests of the City and its residents and the City desires to lease the Land to the Company for such purposes.

NOW, THEREFORE, in consideration of the promises, covenants, terms, and conditions herein set forth, the Parties hereby agree as follows:

ARTICLE 1. DEFINITIONS

Section 1.01 DEFINITIONS

The following words and phrases, wherever used in this Lease, shall, for purposes of this Lease, have the following meanings:

“**Additional Land**” has the meaning set forth in Section 20.22 of this Lease.

“**Additional Rent(s)**” has the meaning set forth in Section 6.02 of this Lease.

“**Affiliate**” means any corporation or other entity that directly, or indirectly through one or more intermediaries, Controls or is controlled by or is under common Control with, the Company.

“Acquisition Notice” has the meaning set forth in Section 20.22 below.

“Award Deadline” means the date that is the earlier to occur of (i) five business days following Invitation to Credit Underwriting, and (ii) February 1, 2025.

“Base Rent” has the meaning set forth in Section 6.01 of this Lease.

“Code” means the Internal Revenue Code of 1986, as amended.

“Commencement Date” has the meaning set forth in Section 3.01 of this Lease.

“Conceptual Plans” has the meaning set forth in Section 4.05(g) of this Lease.

“Control” or “Controls” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity or person, whether through the ownership of voting securities or by contract or otherwise.

“CRA” has the meaning set forth in Section 4.05(g) of this Lease.

“Development Contract” has the meaning set forth in Section 4.05(e) of this Lease.

“Effective Date” means the date upon which this Lease is executed by the last Party to execute this Lease, as shown by the respective dates set forth after the places provided herein below for the Parties’ execution of this Lease.

“Environmental Laws” means, collectively, all federal, state, water management district, and local environmental, land use, safety, or health laws, rules, regulations, ordinances, and common law, including, but not limited to, the Occupational Safety and Health Act of 1970 (29 U.S.C. § 651 et seq.); the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. § 9601 et seq.); the Hazardous Materials Transportation Act (49 U.S.C. § 5101 et seq.); the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.); the Toxic Substances Control Act of 1976 (15 U.S.C. § 2601 et seq.); the Clean Air Act (42 U.S.C. § 7401 et seq.) (“CAA”); the Safe Drinking Water Act (42 U.S.C. §§ 300f-300j), the Federal Water Pollution Control Act (commonly known as the Clean Water Act) (33 U.S.C. §§ 1251-1387), and Sections 253, 373, 376 and 403, Florida Statutes, as any of the foregoing may hereafter be amended, any rule or regulation pursuant thereto, and any other present or future law, ordinance, rule, regulation, code, permit or permit condition, order, notice of violation, decree, consent agreement, or directive addressing an environmental, safety, or health issue of or by the federal government, or of or by any state or other political subdivision thereof, or any agency, court, or body of the federal government or any state or other political subdivision thereof, exercising executive, legislative, judicial, regulatory, or administrative functions.

“Event of Default” has the meaning assigned in Section 14.01 below.

“Expansion Notice” has the meaning set forth in Section 20.22 below.

“Force Majeure Event” has the meaning assigned in Section 20.05 below.

“Hazardous Substances” means any hazardous, toxic, or harmful substances, wastes, materials, pollutants, or contaminants (including, without limitation, asbestos, polychlorinated biphenyls, petroleum products, flammable explosives, radioactive materials, paint containing more than 0.5% lead by dry weight (“Lead Based Paint”), infectious substances, or raw materials which include hazardous constituents), or any other substances or materials that are included under or regulated by Environmental Laws.

“Housing Credits” means federal low-income housing tax credits under Section 42 of the Code awarded to the Company by Florida Housing Finance Corporation.

“Invitation to Credit Underwriting” means the date upon which Florida Housing Finance Corporation officially awards Company funding in its sole discretion necessary to construct the Project.

“Land” means that certain parcel of real property commonly known as 2305 W. Cervantes Street, Pensacola, Florida as more particularly described on Exhibit A attached hereto. Following any valid exercise of the Expansion Option identified in Section 21.22, below by the Company, the Additional Land shall additionally be included as part of the Land.

“Leased Premises” means the Land and all improvements now or hereafter existing on the Land.

“Lease Term” has the meaning set forth in Section 3.01 below.

“Leasehold Mortgage” has the meaning set forth in Section 19.01 below.

“Leasehold Mortgagee” has the meaning set forth in Section 19.01 below.

“Ordinary Wear and Tear” means normal deterioration of an improvement to real property that occurs solely from the reasonable and intended use of the improvement over time despite the timely and proper performance of reasonable routine maintenance and preventive maintenance.

“Payment” has the meaning set forth in Section 6.01(a) of this Lease.

“Plans” has the meaning set forth in Section 4.05(g) of this Lease.

“Project” has the meaning set forth in Section 4.01 below.

“Rent” means, collectively, the Base Rent, the Additional Rent and any and all other amounts due from Company under this Lease.

“Rent Election Date” has the meaning set forth in Section 6.01(c) of this Lease.

“RFA” has the meaning set forth in Section 4.05(a) below.

“RFA Notice” has the meaning set forth in Section 4.05(b) below.

“Rules and Regulations” means those ordinances, rules and regulations promulgated from time to time by the City governing conduct on, and operations at, the Leased Premises.

“Subsidiary” means any corporation or other entity more than fifty percent (50%) of whose outstanding stock (or other form of equity ownership) is, at the relevant time, owned by the Company or by another Subsidiary of the Company.

“Unit” has the meaning set forth in Section 4.01 below.

Section 1.02 **CROSS-REFERENCES**

All references in this Lease to articles, sections, and exhibits pertain to articles, sections, and exhibits of this Lease unless otherwise specified.

END OF ARTICLE

ARTICLE 2. LEASED PREMISES

Section 2.01 **LEASED PREMISES**

For the Rent, upon the terms, and subject to the conditions set forth in this Lease, the City hereby leases and demises the Leased Premises to the Company, and the Company hereby leases the Leased Premises from the City, subject, however, to easements, restrictions and other encumbrances of record on the Commencement Date.

END OF ARTICLE

ARTICLE 3. TERM

Section 3.01 LEASE TERM

This Lease shall be effective as of the Effective Date, however, subject to compliance with the terms and conditions of this Lease, the Company's right to use or occupy the Leased Premises shall begin on the Commencement Date and continue for a term of 99 years from said Commencement Date, unless this Lease is terminated earlier pursuant to the provisions contained herein (such 99 year period from the Commencement Date is the "Lease Term"). For purposes of this Lease, the "Commencement Date" shall be the earlier to occur of (a) the closing date of the Company's construction loan for the development of the Project; and (b) August 1, 2026. The Company's right to use or possess the Leased Premises shall not accrue until the Commencement Date, and the City shall retain such rights exclusi until said Commencement Date.

Section 3.02 COMPANY'S RIGHTS UPON EXPIRATION OR EARLIER TERMINATION OF LEASE

Upon expiration of the Lease Term or earlier termination of this Lease, all of the Company's rights, authority, and privileges to use the Leased Premises shall automatically cease without notice to the Company except such notice, if any, as is expressly required by this Lease with respect to an earlier termination of this Lease.

Section 3.03 SURRENDER OF LEASED PREMISES

Upon expiration of the Lease Term or earlier termination of this Lease, the Company shall surrender the Leased Premises to the City in its improved condition as referenced in Section 4.01 of this Lease, except for Ordinary Wear and Tear and except for loss or damage caused by casualty or condemnation which the Company is not required by other provisions of this Lease to repair or restore

The provisions of this Section 3.03 shall survive the expiration of the Lease Term or earlier termination of this Lease, as the case may be, and shall be fully enforceable by the City against the Company notwithstanding the expiration or termination of this Lease.

END OF ARTICLE

ARTICLE 4. PROJECT DEVELOPMENT AND CONSTRUCTION

Section 4.01 **PROJECT**

The Company intends to demolish the existing buildings and improvements upon the Land subject to the terms of this Lease and all applicable law. In their place, the Company will cause to be constructed a multifamily rental housing development, with a minimum of 84 apartment units and not exceeding a height of 4 floors, together with related amenities, parking, driveways, utilities, drainage, irrigation, exterior lighting, and landscaping (collectively, the “Project”). All apartment units within the Project shall be one-bedroom units of approximately 550 square feet each (every apartment is a “Unit”).

Section 4.02 **MINIMUM UNIT FEATURES**

Subject to the terms of this Lease and all applicable law, each Unit shall at a minimum contain the following features: impact glass windows, EnergyStar stainless steel appliance package with dishwasher, luxury vinyl tile flooring, recessed lighting LED light fixtures, separate HVAC system, and washer and dryer hook-up.

Section 4.03 **PROJECT SITE DESIGN**

Subject to the terms of this Lease and all applicable law, the final site design for the Project shall contain the following unless otherwise agreed to by the Parties:

- (a) Architecture in the Tudor style, to reflect the design of the improvements upon the Land existing as of the Effective Date.
- (b) Cervantes Street facing Project.
- (c) Reserved.
- (d) A community center designated for communal activities and gatherings, including social activities and events.
- (e) A fitness center and green space (to include a decorative hardscape).
- (f) Facilities for social services to provide space dedicated to providing essential services and support to residents, including assistance tailored to veterans and active-duty military personnel.

(g) Community dining and recreational spaces such as dining areas and recreational activity rooms.

(h) A pedestrian plaza and adjacent park(s), including a veterans' park.

(i) A pedestrian forecourt and patio spaces that include private and semi-private outdoor areas for individual and small group use.

(j) Shared common areas.

(k) Reserved.

(l) Reserved.

(m) On-site surface parking spaces in compliance with applicable zoning requirements for the Leased Premises.

(n) Design in compliance with the City's green building standards as specified in the City of Pensacola Code of Ordinances Section 14-2-295 "Green Building Standards".

(o) Reserved.

Section 4.04 COMMUNITY ENGAGEMENT AND MARKETING

In its efforts to promote the success of the Project, on or before the earlier date of one month following the Award Deadline, the Company shall deliver to the City a local, public engagement and marketing strategy with timelines and approach to achieving the following minimum community engagement and outreach requirements, to be subject to City's review and prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed. Changes to strategy or schedule will likewise in each instance require submission to and approval by the City via the process outlined above:

(a) Outreach campaigns aimed to reach the existing residents in the City of Pensacola through local groups, community organizations, social media channels, schools, churches, and social clubs to promote a wide distribution of the announcement of housing availability in the neighborhood.

(b) Public meetings, beyond required City boards and council, aimed to incorporate key components of public feedback into site design and property amenities, including no fewer than one (1) community engagement event to be held no later than two months following the Award Deadline by the Company in coordination with the City's Community Redevelopment Agency to solicit community input on the design of the Project.

(c) Partner with local organizations, employers, and community groups to promote the Project and attract residents. This includes hosting informational sessions and participating in community events.

(d) Use of print media, flyers, and signage to raise awareness about the Project. Collaborate with local media outlets to feature stories about the Project.

(e) Create and activate a website no later than one month following the Award Deadline, along with regular public information releases, to permit public access to project information throughout the development review, approval, construction, and leasing phases.

(f) No later than seven months following the Award Deadline, launch the use of online platforms such as Apartments.com, AffordableHousing.com, social media, and online news outlets to reach prospective tenants.

(g) Maintain a website with online application processes and active engagement on social media channels.

(h) Until such time as the Project is complete and all Units are occupied under a valid sublease, prepare and deliver quarterly reports to the City on or before the first day of each calendar quarter, detailing, and providing supporting documentation as reasonably requested by the City, all community engagement and marketing efforts undertaken by or on behalf of the Company relating to the Project during the immediately preceding calendar quarter.

Section 4.05 DEVELOPMENT MILESTONES

The Company shall, directly or through its Affiliate(s):

(a) Timely submit its application to Military Installations Request for Application RFA # 2024-215: SAIL Funding for development near Military Installations pursuant to The Live Local Act; 420.50871, F.S. (the “RFA”). Within five business days following submission of such application, the Company shall deliver a full copy of said application to the City, along with all supporting documentation and an executed memorandum of understanding between the Company and NAS Pensacola housing and/or other Supportive Services for Veteran Families (“SSVF”) groups establishing a pipeline for residents for the Project and identification of the full scope of supportive services to be provided at the Project.

(b) Deliver written notice to the City of the status its application to the RFA on or before the earlier to occur of (i) five business days following notice of any award made in response to RFA applications, or (ii) February 1, 2025 (such written notice is the “RFA Notice”). The Company shall include with the RFA Notice copies of any and all documents detailing the status of its application to the RFA and any award of funds in relation thereto).

(c) Make all reasonable efforts to achieve WMBE (Women and Minority Business Enterprise) participation of 20% of total costs of the design and construction of the Project.

(d) Within two months following the Award Deadline, deliver to the City a complete market analysis identifying demand for affordable and workforce housing in the Leased Premises and detailing demographic and economic characteristics of potential residents of the Project.

(e) Within two months following the Award Deadline, deliver to the City the name, qualifications, and related proposed contract (showing all related fees, costs and expenses) with each of the following professionals to be involved in the Project, with the professional and related contracts (each such contract is a “Development Contract” and, collectively, the “Development Contracts”) to be subject to the City’s review and prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed. Changes to any professionals will likewise, in each instance, require submission to and approval by, the City via the process outlined above.

i. Architect. Must have demonstrated experience designing no less than two affordable housing projects similar to the Project, as well as experience designing projects which adhere to urban design best practices and with similar architectural goals and objectives as is defined in this Lease.

ii. Engineer. Must have demonstrated experience designing no less than two affordable housing projects similar to the Project.

iii. Property Management Company. Must have demonstrated experience in the management of at least two affordable housing projects, at least one of which consists of a total number of units no less than 50 percent of the total number of Units in the Project, for at least 2 years each. The management agreement must call for the management company to offer a range of ongoing on-site services, programs and amenities that cater to the needs of Project residents, which shall include, at a minimum, employment assistance, health and wellness, and financial management programs.

iv. Supportive Services Provider. Minimum criteria for supportive service provider must be consistent with the requirements and definitions of the Florida Housing Finance Corporation’s competitive RFA solicitation process.

v. General Contractor. Must have demonstrated experience building or rehabilitating no less than two affordable housing projects similar to the Project.

(f) Deliver to the City a fully-executed copy of each Development Contract above, along with all exhibits and addendums thereto, (i) as to those Development Contracts relating to subsections (e)(i)-(iv), above, within 15 days following City’s approval of such Development Contracts; and (ii) as to those Development Contract(s) relating to subsection (e)(v), above on or July 15, 2025.

(g) Within four months following the Award Deadline, deliver final schematics and renderings of the Project to the City for review and approval by it as well as its Community Redevelopment Agency (“CRA”) in accordance with the terms of this Lease and all applicable law (the “Conceptual Plans”, and as approved by the City and/or CRA, the “Plans”). Following

such delivery, the Company shall fully respond to reasonable requests from the City for additional information, changes or details related to such submission within 30 days of such request.

(h) Within six months following the Award Deadline, deliver to City (i) proof of all funding and financing application(s) and binding commitment(s) relating to the Project along with all supporting documentation, and (ii) final construction plans in substantial conformity with the Conceptual Plans and make application for all construction permits from the City necessary for construction of the Project, all for review and approval in accordance with the terms of this Lease and all applicable law. Following such delivery, the Company shall fully respond to reasonable requests from the City for additional information, changes or details within 30 days of such request.

(i) Within 10 months following the Award Deadline, deliver proof of closing of its financing relating to the Project.

(j) Within 12 months following the Award Deadline, the Company shall commence construction of the Project. For clarification, “commence construction” and “commencement of construction” occur only when (1) the Company has completed all preconstruction engineering and design, has received all necessary licenses and permits, has engaged all contractors and ordered all essential equipment and supplies as, in each case, can reasonably be considered necessary so that physical construction of the Project may commence, and (2) physical construction (excluding site clearing, landfilling, and soil compaction, but including, at a minimum, excavation for foundations and/or drilling for the installation of pilings) on the Leased Premises has begun.

(k) Within 28 months following the Award Deadline, the Company shall have completed construction of the Project. For clarification, “completed construction” shall mean the substantial completion of the Project in accordance with the permitted plans and specifications and the issuance of a temporary certificate of occupancy allowing the lawful use and occupancy of the Project for the purposes permitted by Article 5 below, without containing any conditions or requirements that would operate to prevent or prohibit such occupancy or use, other than to a de minimus extent.

(l) \On or before the 15th day of each month following the Effective Date until completed construction of the Project, deliver to the City a status report detailing the design, construction and development activities of the immediately preceding month and outlining the development and construction activities and benchmarks for the immediately following month, along with such additional information and documentation as may reasonably be requested by the City.

ARTICLE 5. USE OF LEASED PREMISES

Section 5.01 **PERMITTED USE OF LEASED PREMISES**

Continuously during the Lease Term, the Company shall use the Leased Premises solely for a multifamily rental housing development and uses related thereto in accordance with the terms of this Lease.

Section 5.02 **ADDITIONAL RESTRICTIONS**

The Company's use of the Leased Premises shall be subject to the following additional restrictions:

(a) At least 50 percent of the Units shall serve residents that meet the definitions of Active Duty or Veterans below. Additionally, the greater of 5 Units or 5 percent of the total Units shall serve Homeless Veterans.

i. "Active Duty" means full-time duty in the active military service of the United States, including active duty or full-time training duty in the reserve component.

ii. "Homeless" or "Homeless Household" means an individual who lacks a fixed, regular, and adequate nighttime residence and also includes an individual who: (1) is sharing the housing of other persons due to loss of housing, economic hardship, or a similar reason; (2) is living in a motel, hotel, travel trailer park, or camping ground due to a lack of alternative adequate accommodations; (3) is living in an emergency or transitional shelter; (4) has a primary nighttime residence that is a public or private place not designed for, or ordinarily used as a regular sleeping accommodation for human beings; (5) is living in a car, park, public space, abandoned building, bus or train station, or similar setting; or (6) is a migratory individual who qualifies as homeless because he or she is living in circumstances described in paragraphs (1)-(6). The terms in this subsection do not refer to an individual imprisoned pursuant to state or federal law or to individuals or families who are sharing housing due to cultural preferences, voluntary arrangements, or traditional networks of support. The terms include an individual who has been released from jail, prison, the juvenile justice system, the child welfare system, a mental health and developmental disability facility, a residential addiction treatment program, or a hospital, for whom no subsequent residence has been identified, and who lacks the resources and support network to obtain housing.

iii. "Veteran" or "Veterans" means a person who served in the active military, naval, or air service and who was discharged or released under honorable conditions only or who later received an upgraded discharge under honorable conditions, notwithstanding any action by the United States Department of Veterans Affairs on individuals discharged or released with other than honorable discharges.

(b) Rental rate limits for the Units shall be as follows, in each instance as Area Median Income ("AMI") relating to the Leased Premises is defined by the U.S. Department of Housing and Urban Development ("HUD"). In the event the total number of Units exceeds 84, then the additional Units shall be added pro-rata to the following categories. Further, the City agrees to reasonably consider averaging incomes among Units in an effort meet the distribution below upon written request by the Company accompanied by evidence and documentation supporting the need or requirement for such averaging.

- i. At least 15 Units at 30% AMI or below.
- ii. At least 26 Units at 60% AMI or below.
- iii. At least 43 Units at 80% AMI or below.

(c) Rental rate increases may not exceed the HUD standards for low-income housing tax credit projects.

(d) Maintain a capital improvement reserve (the "Repair Reserve") of no less than \$300 per Unit in the first year following the Commencement Date, with such amount to be increased each following year by 3% over the immediately preceding year. The City agrees that the Repair Reserve requirement shall be deemed satisfied if a similar reserve is required by a Leasehold Mortgagee, and that the Repair Reserve will be held by such Leasehold Mortgagee.

(e) The Company, shall, at its sole expense, keep, maintain and report accurate records, in a form acceptable to the City and in compliance with Florida Housing Finance Corporation guidelines, from which compliance with the provisions of this Section 5.02 may be reviewed and verified ("Records"). Full and complete Records and such other information and documentation as may be reasonably requested shall be delivered to the City as the City may reasonably request, up to monthly. For avoidance of doubt and without limiting the foregoing, "Records" shall include all reports and records which are submitted to any source of funding for the Project.

(f) No more frequently than once per calendar year, the City may audit, or cause to be audited, pertinent Records of the Company. If such an audit results in a failure by the Company to comply with the terms of this Lease, the Company shall pay the cost of the audit, otherwise, the City shall pay the cost of the audit.

Section 5.03 COMPLIANCE WITH LAW

The Company shall not use the Leased Premises or any part thereof, or knowingly permit the same to be used by any of its employees, officers, agents, subtenants, contractors, invitees, or licensees for any illegal purposes or in a manner that constitutes a nuisance.

At all times during the Lease Term, the Company shall, in connection with its activities and operations at the Leased Premises:

(a) Comply with and conform to all applicable current and future statutes and ordinances, and regulations promulgated thereunder, of all Federal, State of Florida and local agencies of competent jurisdiction that apply to or affect, either directly or indirectly, the Company or the Company's operations and activities under this Lease.

(b) Subject to the prior written approval of the City, make, at its own expense, all improvements, repairs, and alterations to the Leased Premises and all buildings and improvements thereon and to its equipment and personal property that are required to comply with or conform to any applicable laws.

(c) Regarding the City, be and remain an independent contractor with respect to all installations, construction, and services performed by or on behalf of the Company hereunder.

(d) The Company, for itself and its successors and assigns, shall, and does hereby, covenant and agree to FULLY AND FOREVER RELEASE, INDEMNIFY, DEFEND, and HOLD HARMLESS the City and its elected officials, employees, officers, directors, volunteers, and representatives, individually and collectively, from and against any and all penalties, fines, and demands of any kind (including but not limited to costs of investigation, attorneys' fees, court costs, and expert fees) arising out of the Company's acts or omissions resulting in any alleged violation of any rule, regulation, statute, order, directive, or mandate of the United States, the State of Florida, Escambia County, the City of Pensacola or other applicable governmental authority. The forgoing indemnity shall survive expiration or termination of this Lease.

END OF ARTICLE

ARTICLE 6. RENTS, FEES, CHARGES AND SALES TAX

In consideration for the Company's use of the Leased Premises, the rights and privileges granted to the Company hereunder, and for the undertakings of City hereunder, the Company agrees to pay the City without invoicing, notice, demand, deduction or set-off, the Base Rent, Additional Rent, fees, other charges, and sales and use tax as set forth in this Lease, as from time to time recalculated according to the procedures described herein below.

Section 6.01 **BASE RENT**

The base rent ("Base Rent") payable by the Company to the City shall be per the following schedule:

(a) On or before the date that is 17 years following the Commencement Date, the Company shall deliver to the City a lump sum payment in the amount of \$1,050,000 in the form of a wire transfer or otherwise immediately available funds ("Payment").

(b) The Payment is based at least in part upon on the premise that the Company's "all-in" cost for development, design, and construction of the Project (including, without limitation, all related costs, fees, charges, and expenses of any kind or nature) ("Project Costs") will equate to \$326,000 per Unit (the "Projected Per Unit Cost"), all as computed at "completed construction" as detailed in Section 4.05(k), above. The amount by which the Projected Per Unit Cost exceeds 115% of the actual Project Costs divided by the number of Units in the Project (the "Actual Per Unit Cost") shall, upon written notice from the City, be added to and become due and payable to the City as part of the Payment outlined above.

(c) The City may elect to charge additional Base Rent to the Company commencing after the date that is 50 years following the Commencement Date ("Rent Election Date") upon 30 days' prior written notice. In the event of such election, the City shall include with its written notice to the Company an appraisal, a broker's opinion of value or other generally accepted method to determine the then-current fair market annual leasehold value of the unimproved Land, subject to all then-existing use restrictions, and the value reflected in said valuation shall be the annual Base Rent from the date of such election. Said Base Rent shall automatically be increased by 3% over the immediately preceding year on every fifth anniversary of Rent Election Date. Base Rent payable under this subsection (b) shall be payable in advance in 12 equal monthly installments.

Section 6.02 **ADDITIONAL RENT**

All fees and charges payable by the Company under this Lease, other than Base Rent, shall be deemed to be Additional Rent.

Section 6.03 **SALES TAX**

The Company shall pay to City all sales and use taxes imposed by Florida Statutes Section 212.031 and any future amendments thereto, or other applicable Florida law in effect from time to time (collectively, the "Sales Tax"), on the Base Rent and Additional Rent due under this Lease and on any other payments required by this Lease to be made by the Company to or for the benefit of the City which are taxable under applicable Florida law. Such sales or use tax shall be due and payable

concurrently with the payment of the Base Rent, Additional Rent, or other payment with respect to which such tax is required to be paid.

MODE OF PAYMENT

The payment of all Rent that becomes due and payable by the Company under this Lease shall be paid to the City without invoicing, notice, demand, deduction, or set-off (except as specifically provided herein), and, unless otherwise provided in this Lease, on the first day of each and every calendar month during the Lease Term. Payments shall be mailed or delivered to City of Pensacola Finance Department, 222 W. Main Street, Pensacola, Florida 32502, or to such other payment address as the City notifies the Company in writing. The City reserves the right to require that payment be made by wire transfer.

Section 6.04 LATE FEE AND INTEREST

If any Rent payable under this Lease by the Company to the City is not paid within five (5) calendar days after such Rent became due, a late fee of five percent (5%) of the amount due shall be due and payable to the City to compensate the City for its added expenses due to said late payment. Further, any Rent due and payable under this Lease by the Company to the City that is not paid within fifteen (15) calendar days after its date due shall bear interest at eighteen percent (18%) per annum, or the highest rate allowed by law, whichever is greater, from the date due until the date paid in full.

END OF ARTICLE

ARTICLE 7. INSURANCE AND INDEMNIFICATION

Section 7.01 **REQUIRED INSURANCE**

Prior to the Commencement Date, the Company shall procure and maintain insurance of the types and to the limits specified herein, all of which shall be in full force and effect as of the Commencement Date and continuously throughout the Lease Term.

As used in this Article, “the City” is defined to mean the City of Pensacola itself, any subsidiaries or affiliates, elected and appointed officials, employees, volunteers, representatives, and agents.

The Company and the City understand and agree that the minimum limits of insurance herein required may become inadequate during the term of this Lease. The Company agrees that it will increase such minimum limits to the levels reasonably required by the City from time to time, within one hundred eighty (180) days following the receipt of written notice from the City.

Insurance shall be procured from an insurer whose business reputation, financial stability, and claims payment reputation are satisfactory to the City in its sole discretion, for the City’s protection only. The amounts, forms, and types of insurance required to be provided and maintained by the Company shall conform to the following minimum requirements:

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<u>Insurance Requirements</u>		
	<u>Type</u>	<u>Amount</u>
(1)	Worker's Compensation and Employer's Liability	The Company shall purchase and maintain worker's compensation insurance coverage for all workers' compensation obligations required by law. Additionally, the policy, or separately obtained policy, must include employer's liability coverage of at least \$100,000 each person – accident, \$100,000 each person – disease, \$500,000 aggregate – disease.
(2)	Broad Form Commercial General Liability Policy to include coverage for the following:	Combined single limit for bodily injury and property damage of \$5,000,000 per occurrence or its equivalent with an aggregate of not less than \$5,000,000
	(A) Premises Operations	
	(B) Independent Contractors	
	(C) Products/Completed Operations	
	(D) Personal Injury	
	(E) Contractual Liability	
	(F) Damage to Leased Premises	
(3)	Property Insurance including flood insurance for physical damage to the property of the Company, including Company improvements and betterments to the Leased Premises	Coverage for full replacement value
(4)	Property Insurance for physical damage to all improvements to the Leased Premises, resulting from fire, theft, vandalism, windstorm, flood and other risks commonly insured against for similar multifamily housing developments	Coverage for full replacement value
(5)	Automobile Liability (any automobile)	Business automobile policy must be provided, if applicable, including bodily injury and property damage arising out of operation, maintenance, or use of owned, non-owned, and hired automobiles. Minimum primary combined single limit of \$1,000,000 which together with umbrella coverage will provide combined single limit of not less than \$5,000,000.

Section 7.02 POLICY ENDORSEMENTS; COPIES OF POLICIES; CERTIFICATES OF INSURANCE

All insurance policies required by this Lease to be furnished by the Company shall be endorsed to provide that the insurance carrier shall give the City written notice at least thirty (30) days in advance of any cancellation, nonrenewal, or adverse change or restriction in coverage.

Each policy of property insurance shall be endorsed to name the City as an additional insured and loss payee, as its interest may appear. In addition, this Lease and the Leased Premises shall be separately listed on each insurance policy.

On or before the Commencement Date, and thereafter within five (5) days after the City's written requests from time to time, the Company shall furnish true and complete copies of all of the Company's insurance policies, forms, endorsements, jackets, and other items forming a part of, or relating to, all policies of insurance carried or required by this Lease to be carried by the Company with respect to the Leased Premises.

In addition, on or before the Commencement Date, and thereafter within five (5) days after the City's written requests from time to time, the Company shall provide to the City certificates of insurance evidencing all insurance carried or required by this Lease to be carried by the Company with respect to the Leased Premises. Each certificate of insurance shall provide that the insurance carrier shall give the City written notice least thirty (30) days in advance of any cancellation, nonrenewal, or adverse change or restriction in coverage. The City shall be named on each certificate of property insurance as an additional insured and loss payee, as its interest may appear, and on each certificate of liability insurance as an additional insured. In addition, this Lease and the Leased Premises shall be separately listed on each certificate. Certificates of property insurance shall be provided on the "Certificate of Insurance" form equal to, as determined by the City, the most current ACORD 28 form. Certificates of liability insurance shall be provided on the "Certificate of Insurance" form equal to, as determined by the City, the most current ACORD 25 form. Any wording on a Certificate that would make notification to the City of cancellation, nonrenewal, or adverse change or restriction in coverage an option shall be deleted or crossed out by the insurance carrier or the insurance carrier's authorized agent or employee. The name and address of the City on each policy and certificate of insurance required by this Lease shall be: City of Pensacola, Department of Risk Management, 222 W. Main Street, Pensacola, Florida 32502.

The Company shall immediately replace any cancelled, adversely changed, restricted, or non-renewed policies with new policies acceptable to the City and shall provide to the City copies of all such new policies, as well as Certificates of Insurance regarding the new policies, prior to the effective date of such cancellation, nonrenewal, adverse change, or restriction. The Company's required insurance coverages shall be considered primary for all purposes, and all other insurance shall be considered as excess, over and above the Company's coverages. Notwithstanding the primary coverage responsibility of the Company, the Company shall protect the indirect and direct interests of the City by at all times promptly complying with all terms and conditions of its insurance policies, including without limitation timely and complete notification of claims. All written notices of claims made to carriers that relate to the use, damage, impairment, or condition of the Leased Premises shall in addition to the City's addresses for notice in this Lease be copied to the City's Department of Risk Management at the following address: City of Pensacola, Department of Risk Management, 222 W. Main Street, Pensacola, Florida 32502.

Section 7.03 INSURANCE OF THE COMPANY PRIMARY

The insurance coverage required of the Company shall be considered primary, and all other insurance shall be considered as excess, over and above the Company's required coverage.

Section 7.04 LOSS CONTROL, SAFETY, AND SECURITY

The Company shall retain control over its employees, agents, servants, contractors, customers, guests, and invitees, as well as its and their activities on and about the Leased Premises and the manner in which such activities shall be undertaken; to that end, the Company shall not be deemed to be an agent of the City. Precaution shall be exercised by the Company at all times regarding the protection of all persons, including employees, and property. The Company shall make reasonable effort to detect hazards and shall take prompt action where loss control/safety measures should reasonably be expected. The Company and its employees, agents, servants, contractors, customers, guests, and invitees, shall at all times comply with all applicable law in its operations upon and use of the Leased Premises.

Section 7.05 ACCEPTABILITY OF INSURERS

Insurance is to be placed with insurers that have a current A.M. Best rating of no less than A: X.

Section 7.06 HOLD HARMLESS

The Company, for itself and its successors and assigns, shall, and does hereby, covenant and agree to, FULLY AND FOREVER RELEASE, INDEMNIFY, DEFEND, and HOLD HARMLESS the City and its elected officials, employees, officers, directors, volunteers, and representatives, individually and collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, arbitration awards, regulatory actions, administrative actions, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including, but not limited to, personal or bodily injury, death, environmental remediation and damage, and property damage, made upon or suffered or incurred by the City directly or indirectly arising out of, resulting from, or related to any breach or default by the Company under this Lease, or the activities, acts or omissions of the Company, its successors or assigns under this Lease, or arising or occurring in, on, under or about the Leased Premises during the Lease Term, including, but not limited to, any acts or omissions of the Company, its successors or assigns, including any of its or their respective agents, officers, directors, representatives, employees, consultants, contractors or subcontractors, and their respective officers, agents, employees, directors, and representatives.

The Company shall fully and forever release, hold harmless, defend, and indemnify the City from all such costs, including, but not limited to, expert fees even though a jury may find the Company and the City jointly liable. But in the event the City is held liable for a claim, then in that event each of the parties bears their own costs, legal fees and expert fees for their liability. The City shall, upon notice thereof, transmit to the Company every demand, notice, summons, or other process received in any claim or legal proceeding contemplated herein. The provisions of this Section 7.06 shall survive expiration or termination of this Lease.

Section 7.07 NON-LIABILITY OF THE CITY

The City shall not, in any event, be liable to the Company or to any other person or entity for any acts or omissions of the Company, its successors, assigns, or sublessees or for any condition resulting from the operations or activities of the Company or any such person or entity. Without

limiting the generality of the foregoing, the City shall not be liable for the Company's failure to perform any of the Company's obligations under this Lease or for any delay in the performance thereof, nor shall any such delay or failure be deemed a default by the City.

Section 7.08 PAYMENT ON BEHALF OF THE CITY

The Company agrees to pay on behalf of the City, for all claims or other actions or items described in Section 7.06, "Hold Harmless." Such payment on behalf of the City shall be in addition to any and all other legal remedies available to the City and shall not be considered to be the City's exclusive remedy.

The provisions of this Section shall survive the expiration or termination of the Lease Term.

Section 7.09 NO WAIVER OF SOVEREIGN IMMUNITY

Nothing in this Article shall be deemed a change or modification in any manner whatsoever of the method, conditions, limitations, or restrictions of preserving, asserting, or enforcing any claim or legal liability against the City. This Article shall in no way be construed as a waiver, in whole or in part, of the City's sovereign immunity under the Constitution, statutes and case law of the State of Florida.

END OF ARTICLE

ARTICLE 8. ACCEPTANCE AND CONDITION OF LEASED PREMISES

DISCLAIMER

THE COMPANY HAS INSPECTED AND EXAMINED ALL OF THE LEASED PREMISES. THE PARTIES AGREE THAT THIS LEASE IS GRANTED BY THE CITY AT THE COMPANY'S REQUEST AND THAT THE LEASED PREMISES AND ALL PORTIONS THEREOF SHALL BE AND HEREBY ARE ACCEPTED BY THE COMPANY IN THEIR "AS IS" CONDITION WITH NO WARRANTY EXPRESS OR IMPLIED, WRITTEN OR ORAL, OF ANY KIND WHATSOEVER, EXCEPT AS EXPRESSLY SET FORTH IN THIS LEASE, AND SUBJECT TO ALL DEFECTS, LATENT AND PATENT. THE CITY SHALL HAVE NO OBLIGATION WHATSOEVER TO REPAIR, MAINTAIN, RENOVATE OR OTHERWISE INCUR ANY COST OR EXPENSE WITH RESPECT TO THE LEASED PREMISES OR ANY PORTION THEREOF UNLESS AND EXCEPT AS EXPRESSLY SET FORTH IN THIS LEASE.

THE COMPANY HEREBY ACKNOWLEDGES AND AGREES THAT THE CITY LEASES THE LEASED PREMISES, INCLUDING ALL PORTIONS, PARTS, AND COMPONENTS THEREOF, TO THE COMPANY, AND THE COMPANY ACCEPTS THE LEASED PREMISES FROM THE CITY, "AS IS, WHERE IS AND WITH ALL FAULTS" EXPRESS OR IMPLIED, WRITTEN OR ORAL, OF ANY KIND WHATSOEVER, EXCEPT AS EXPRESSLY SET FORTH IN THIS LEASE, AND SUBJECT TO ALL DEFECTS, LATENT AND PATENT. THE CITY SHALL HAVE NO OBLIGATION WHATSOEVER TO REPAIR, MAINTAIN, RENOVATE OR OTHERWISE INCUR ANY COST OR EXPENSE WITH RESPECT TO THE LEASED PREMISES OR ANY PORTION THEREOF UNLESS AND EXCEPT AS EXPRESSLY SET FORTH IN THIS LEASE.

THE COMPANY'S TAKING POSSESSION OF THE LEASED PREMISES SHALL BE CONCLUSIVE EVIDENCE OF THE COMPANY'S ACCEPTANCE THEREOF IN AN "AS IS" CONDITION AND THAT THE COMPANY DEEMS THE LEASED PREMISES SUITABLE FOR THE PURPOSES FOR WHICH THEY ARE BEING LEASED.

THE CITY MAKES NO REPRESENTATIONS REGARDING THE CONDITION OF THE LEASED PREMISES AND NO PROMISES TO IMPROVE THE SAME, EXCEPT AS EXPRESSLY SET FORTH IN THIS LEASE. ANY SUCH REPRESENTATIONS OR PROMISES PREVIOUSLY MADE, IF ANY, SHALL NOT BE BINDING UPON THE CITY UNLESS EXPRESSLY CAPTURED AND DETAILED IN THIS LEASE.

END OF ARTICLE

ARTICLE 9. CONSTRUCTION BY THE COMPANY

Section 9.01 GENERAL REQUIREMENTS

Other than the Project, which shall be constructed in accordance with the Plans and the term and conditions of this Lease, the Company shall not construct, alter, remodel, renovate, remove, or demolish any improvements upon the Leased Premises without the prior written approval of the City, which approval shall not be unreasonably withheld, minor non-structural modifications by the Company within the Leased Premises, excepted (interior painting or minor repairs, for example).

In the event that the Company desires to construct, alter, remodel, renovate, remove, or demolish any improvements upon the Leased Premises, it shall submit to the City plans and specifications and a construction time schedule for such work prepared by Florida-registered architects and engineers, such other information and documents as may be required by the City, all of which shall be in sufficient detail for the City, to determine, whether or not the proposed work is consistent with the Company's use of the Leased Premises as defined in Article 5. But in any event the approval of proposed construction, remodel, renovation, removal or any other improvements for the Company business shall not be unreasonably withheld, provided the proposed work is deemed to be consistent with Article 5 of this Lease.

The Company shall not commence any such work unless and until the City has given its written approval of such work, and the Company has provided to the City any payments, bonds and/or securities as required herein or otherwise by applicable law.

The Company shall be solely responsible for payment of all hard and soft costs of such work, and, prior to commencement of any work on the Leased Premises, Company shall provide City with reasonably satisfactory evidence of Company's ability to pay the costs of such work as and when due.

Further, prior to the commencement of any such work, the Company shall procure and provide to the City any and all additional approvals of such work and/or the plans and specifications for such work required by any federal, state, water management district, county, or municipal government, or authority, agency, officer, department, or subdivision thereof, having jurisdiction with respect to such work, and shall obtain and provide to the City any and all requisite development, building and construction licenses, orders, permits, and approvals. The Company shall be solely responsible for obtaining and paying the costs of obtaining all required licenses, orders, permits, and approvals for such work.

All such work shall conform to the plans and specifications, construction timetable and other documentations submitted to the City by the Company as well as all conditions and requirements imposed by applicable law. In no event shall the approval of the City required by this Article be deemed to be any acknowledgement by the City that such work or any plans, specifications, or other information or documentation submitted to the City complies or will comply with applicable laws, codes, ordinances, rules, and regulations, including but not limited to those of the City of Pensacola, and shall not relieve Company from obtaining all required governmental authorizations, permits and approvals, including but not limited to authorizations, permits and approvals required

by the ordinances, codes, rules and regulations of the City of Pensacola, all of which shall be obtained prior to the commencement of such work. City, upon reasonable request of the Company, shall reasonably cooperate with Company in applying for such approvals, permits and licenses but in no event shall the City be required to incur any expense or liability in connection therewith. Further, the City, by giving its approval of such work, assumes no liability or responsibility therefore or for any defects in such plans and specifications or for any defects in any of such work.

Upon the commencement of any work permitted under this Article, Company shall thereafter diligently and continuously prosecute such work to completion within a reasonable time. Company shall cause all work on the Leased Premises to be performed and constructed by appropriately licensed contractors, with high quality, new materials, in a good and workmanlike manner, pursuant to valid building permits, and in accordance with all applicable law. All improvements shall remain upon and be surrendered with the Leased Premises upon the expiration or termination of this Lease, unless otherwise mutually agreed by the parties hereto. Company shall indemnify, defend and hold City free and harmless from and against any and all liabilities, claims, demands, lawsuits, administrative proceedings, loss, and damages or any kind, including but not limited to attorneys' fees and costs, arising out of any work done or material supplied to the Leased Premises by or at the request of Company.

Prior to commencement of any work on the Leased Premises for a total cost (both hard and soft costs, as estimated by the City) in excess of Twenty-Five Thousand Dollars (\$25,000.00), Company shall provide to the City payment bonds obtained by each general or sub-contractor of Company ensuring performance of that general contractor's obligations under the construction contract between that general contractor and the Company and payment of that contractor's subcontractors and suppliers with respect to the construction, alteration, removal or demolition of any improvements. Each of the bonds must (i) be issued by a Qualified Surety (hereinafter defined), (ii) be in form and substance satisfactory to the City, (iii) run in favor of the City, (iv) be in the amount of the total cost of constructing, altering, removing or demolishing, as the case may be, the improvements, as such cost is stipulated in the construction contract between the Company and its general contractor, and (v) conform to the provisions of Section 255.05, Florida Statutes, whether or not such statute applies to such work, and any other statutory requirements. A "Qualified Surety" is a corporate surety or insurer authorized to do business, and to issue bonds for construction payment and performance, in the State of Florida and possessing a rating of A/VIII or better in A.M. Best's Insurance Reports.

Upon completion of all renovations, construction, alterations, or improvements on the Leased Premises, the Company shall provide to the City an accurate and complete conformed set of "as built" plans and specifications (including as-built survey), certified by the appropriate contractor(s) and design professional(s), and a copy of the government-issued Certificate of Occupancy, if required for such work.

Section 9.02 CONSTRUCTION REQUIREMENTS

Immediately upon receipt of all approvals by the City required by this Lease and all permits and approvals required by all applicable law, the Company shall proceed with construction of said improvements.

The Company shall construct all improvements and additions to the Leased Premises at its own expense. The City's interest in said Leased Premises, shall not be subjected to any construction lien for any improvements constructed by the Company hereunder.

Should the Company construct improvements, alterations, or additions without fulfilling its obligations hereunder, the Company shall remove said improvements, alterations, or additions if so directed by the City, and shall do so at its own expense and within the time limits specified.

The City shall, at any period during construction of the Company's improvements, alterations, or additions, have the right, but not the obligation, upon reasonable written notice to inspect any or all construction work, workmanship, material and installation involved in, or incidental to, the construction or installation of the improvements, alterations, or additions, for conformance with the applicable standards set forth in this Lease and within normally acceptable industry practices, provided that such inspection shall not include internal work that is exclusively of an operations (non-structural) nature, and provided further that no such inspections shall be deemed to constitute consent to or approval of any such work.

END OF ARTICLE

ARTICLE 10. LIENS PROHIBITED

Notwithstanding any other provision of this Lease, the City's fee simple estate and interest in the Leased Premises shall not be subject to any lien, statutory or otherwise, by reason of any improvements constructed or altered upon, removed from, or demolished on the Leased Premises or work, labor, services or materials performed upon or supplied to the Leased Premises, by or upon the order or request of the Company or its agents, employees or contractors, or any permitted subcontractors of the Company, or anyone acting by, through or under the Company. The Company shall include written notice of the foregoing in all contracts for the furnishing of labor, services or materials to or on the Leased Premises. All persons performing labor or service or furnishing materials to the Leased Premises on the order of the Company must look solely to the Company for payment. The Company shall keep the Leased Premises and improvements free from any construction liens, mechanics liens, vendors liens or any other liens or claims arising out of any work performed, materials furnished or obligations incurred by or at the request of the Company or its employees, contractors, or anyone acting by, through or under the Company, all of which liens and claims are hereby expressly prohibited, and the Company shall defend, indemnify and hold the City harmless from and against any such lien or claim or action thereon, together with costs of suit and reasonable attorneys' fees and costs incurred by the City in connection with any such lien, claim or action. In addition to complying with all requirements of Article 10 above, before commencing any work of any kind on or to the Leased Premises, the Company shall give the City at least ten (10) business days' written notice of the proposed work and proposed commencement date in order to afford the City an opportunity to post appropriate notices of non-responsibility. The forgoing indemnity shall survive expiration or termination of this Lease.

END OF ARTICLE

ARTICLE 11. MAINTENANCE AND REPAIR

Section 11.01 **TRIPLE NET LEASE**

This Lease constitutes a triple net lease of the Leased Premises and, notwithstanding any language herein to the contrary, it is intended and the Company expressly covenants and agrees that all Base Rent, Additional Rent, and other payments herein required to be paid by the Company to the City shall be absolutely net payments to the City, meaning that, during the Lease Term, the City is not and shall not be required to expend any money or do any acts or take any steps affecting or with respect to the use, occupancy, operation, maintenance, preservation, repair, restoration, protection, or insuring of the Leased Premises, or any part thereof, notwithstanding any contrary provision in this Lease.

Section 11.02 **COMPANY RESPONSIBILITIES**

The Company shall, throughout the Lease Term of this Lease, be solely and entirely responsible for all costs and expenses for, related to or arising out of the construction, use, operation, repair, maintenance and replacement of the Leased Premises, including but not limited to all buildings, improvements, pavement, fencing, landscaping, irrigation, foundations, utility lines, doors, locks, windows, ceilings, partitions, walls, interior and exterior lighting, roofs, drainage installations, curbs, islands, sidewalks, driveways, parking areas, and improvements thereon and all components thereof, whether such construction, repair, maintenance or replacement be ordinary, extraordinary, structural, or otherwise. Additionally, without limiting the foregoing, the Company shall:

(a) Replace or substitute any fixtures, equipment and components that have become inadequate, obsolete, worn out, unsuitable, or undesirable with replacement or substitute new fixtures, equipment and components of equal or greater value, free of all liens and encumbrances, that shall automatically become a part of the buildings and improvements;

(b) At all times keep the Leased Premises' grounds, pavement and all portions of the Leased Premises, its buildings and improvements, fixtures, landscaping, equipment, and personal property in a good, maintained, clean, and orderly condition and appearance and in compliance with all HUD housing quality standards;

(c) Provide, and maintain in good working order, all obstruction lights and similar devices, fire protection and safety equipment, and all other equipment of every kind and nature required by applicable laws, rules, orders, ordinances, resolutions, or regulations of any competent authority, including the City, provided that such rules, regulations, and ordinances shall be applicable in a non-discriminatory manner to all similarly situated parties;

(d) Observe all insurance regulations and requirements concerning the use and condition of the Leased Premises;

(e) Be responsible for the maintenance and repair of all utility services lines upon and serving the Leased Premises, including, but not limited to, water and gas lines, electrical power and telephone conduits and lines, sanitary sewers, and storm sewers; and

(f) Replace broken or cracked plate glass, paint/repaint structures upon the Leased Premises, regularly mow all grass within the Leased Premises, and weed and maintain any landscaping retain or installed by the Company on the Leased Premises.

Section 11.03 SAFE, CLEAN AND ORDERLY OPERATION

During the term of this Lease, the Company agrees to maintain all portions of the Leased Premises, and any improvements, alterations, or additions thereon, in a safe, clean, and neat condition, and not permit any accumulation of wreckage, debris, or trash. The Company agrees to provide for complete, proper and adequate sanitary handling and disposal, of all trash, garbage, waste and other refuse caused as a result of the Company's operations; to provide and use suitable covered metal receptacles for all trash, garbage and other refuse on or about the Leased Premises, and not to pile boxes, cartons, carts, drums, or the like on the outside of the buildings, or dump any waste matter of any nature, in a liquid state or otherwise, on the Leased Premises nor to permit contamination of the City's stormwater or sanitary sewer systems.

The Company agrees to promptly install, without cost or expense to the City, any other device or devices for the handling and disposition of refuse and all manner of waste (liquid or otherwise) as may reasonably be required by the City.

Section 11.04 OTHER SERVICES

At its own expense the Company shall provide interior and exterior painting, janitorial, trash removal and all other services necessary or desirable for the operation of the Company's business on the Leased Premises permitted under Article 5 above. Should the Company require specialized security services at its Leased Premises, the Company must contract for same separately and may engage any properly licensed security services provider for the provision of same.

Section 11.05 PERFORMANCE

In the event that the Company refuses or fails to undertake and complete any maintenance, repair or replacements within thirty (30) days after written notice from the City or, in the event of exigent circumstances, such lesser time as the City specifies in such written notice, then and in any such event the City shall have the right, but not the obligation, to perform such maintenance, repair or replacement on behalf of and for the Company. The costs of such maintenance, repair or replacement, plus twenty-five (25.0%) percent for administration, shall be reimbursed by the Company to the City no later than 30 days following receipt by the Company of written demand from the City for same.

Section 11.06 UTILITIES

The Company shall, at no cost to the City, arrange for all utilities necessary to serve the Leased Premises and promptly pay when due all the utilities costs incurred with respect to the Leased Premises. The Company shall pay or cause to be paid any and all charges for water, heat, gas, electricity, sewer, telephone, internet, cable, and any and all other utilities used on the Leased Premises throughout the Lease Term, including, but not limited to, any connection fees and any and all additional third party costs related to utility connection, metering, maintenance, repair, and usage, but not including any amounts which are the responsibility of Project tenants.

The Company shall be responsible for the maintenance and repair of all exterior telephone, internet, cable, water, gas, sewer, and electrical utility lines required for the Leased Premises commencing at the point(s) where said utilities enter upon the Leased Premises. The City shall have no obligations related to said maintenance and repair. The Company shall coordinate any required maintenance and repair with the appropriate utility company.

Section 11.07 UTILITIES SUPPLY OR CHARACTER

The City shall not be liable in any way to the Company for any failure or defect in the supply or character of electrical energy, internet service, cable service, gas, water, sewer, or other utility service furnished to the Leased Premises by reason of any requirement, act, or omission of the City in its capacity as a utility provider or of any public utility providing such service or for any other reason. The City shall have the right to shut down electrical and other utility services to the Leased Premises when necessitated by fire, safety or emergency exigencies, and in advancement of and consistent with the provisions of Section 11.07 herein above. Whenever reasonable under the circumstances, the City shall give the Company not less than five (5) days' prior notice of any such utility shutdown. In no event shall the planned loss of utility services occur during normal manufacturing hours without the express knowledge and written consent of the Company. The City shall not be liable to the Company for any losses, including the loss of income or business interruption, resulting from any interruptions or failure in the supply of any utility to the Leased Premises whether said utility supply is controlled by the City or by a public utility provider.

END OF ARTICLE

ARTICLE 12. TITLE TO IMPROVEMENTS AND PERSONAL PROPERTY

Section 12.01 **TITLE TO IMPROVEMENTS**

The City and the Company acknowledge that during the Lease Term, the Company shall be the owner of the buildings, structures, pavement, and other improvements upon the Leased Premises or any part thereof, and as such the Company shall be entitled to all depreciation deductions and Housing Credits or other benefits for income tax purposes relating to the Project. At the expiration or termination of the Lease and any extensions, ownership and control of the Leased Premises (including the Project) shall be and remain with the City.

Section 12.02 **TITLE TO PERSONAL PROPERTY**

Except as otherwise provided in this Section 12.02, all trade fixtures and equipment and other business personal property installed or placed by the Company, at its sole expense, in the Leased Premises that can be removed without structural damage to the Leased Premises or any other City-owned property shall remain the property of the Company, subject, however, to the provisions of this Section 12.02, unless otherwise provided in subsequent agreements between the Company and the City. The Company shall have the right at any time during the Lease Term and prior to its expiration or earlier termination of this Lease to remove any and all of said property from the Leased Premises. The Company shall promptly repair or pay for all damages, if any, resulting from such removal. All City property damaged by or as a result of removal of the Company's property by the Company shall promptly be restored at the Company's expense to substantially the same condition as it was prior to such damage.

Notwithstanding the foregoing, any and all property not removed by the Company prior to the expiration of the Lease Term or the earlier termination of this Lease shall become a part of the Land upon which it is located and title thereto shall automatically vest in the City with prior written notice to the Company within ten (10) days of suggested transfer of ownership. The City reserves the right to remove and dispose of any or all of such property not removed by the Company prior to the expiration of the Lease Term or earlier termination of this Lease, without any liability or obligation to the Company.

END OF ARTICLE

ARTICLE 13. ENVIRONMENTAL COMPLIANCE

Section 13.01 ENVIRONMENTAL LAWS

The Company shall, at all times, abide by all Environmental Laws applicable to, concerning, or arising from the Company's actions or inactions resulting directly or indirectly from its occupancy, use, or lease of the Leased Premises, including, without limitation, state and federal laws regulating storm water runoff contamination and pollution prevention, numeric nutrient criteria requirements, state and federal laws regulating soil, water, and groundwater quality, and state and federal laws regulating air quality.

The Company shall comply with all applicable local, state and federal laws, rules and regulations as relates to Storm Water Pollution Prevention, including any storm water retention, collection and/or treatment requirements applicable to the proposed development.

The Company shall not, directly or indirectly, allow the disposal or discharge of Hazardous Substances on the Leased Premises, but in no way does this prohibit material to be properly stored in the Leased Premises consistent with the proposed use thereof and consistent with all applicable laws governing storage of same.

The Company shall be solely responsible for the payment of any and all fines, fees, penalties, assessments or citations issued as a result of the Company's failure to comply with applicable Environmental Laws whether such fine, fee, penalty, assessment or citation be issued to the Company directly or the City as the property owner.

Section 13.02 ENVIRONMENTAL REPORTS

The Company promptly shall provide to the City, on an ongoing basis and as updates are required, copies of all Company environmental permits, if any, and reports related to the Leased Premises, as well as any notices, orders, decrees, citations, or inspection reports issued by environmental regulatory authorities.

Section 13.03 SURVIVAL OF OBLIGATIONS

The obligations of this Article shall survive expiration or termination of this Lease.

END OF ARTICLE

ARTICLE 14. EVENTS OF DEFAULT; REMEDIES; TERMINATION

Section 14.01 COMPANY EVENTS OF DEFAULT

The occurrence of any one or more of the following events (each such event being referred to in this Lease as an “Event of Default”) shall constitute a material default and breach of this Lease by the Company:

(a) The Company fails to make any monetary payment required to be made by the Company hereunder within ten (10) days after such payment is due.

(b) The Company fails to observe or perform any covenant, condition or provision of this Lease to be observed or performed by the Company, other than as described in subparagraph (a) above or subparagraphs (d) or (e) below, and such failure shall continue for a period of thirty (30) days after written notice thereof by the City to the Company; provided, however, that if the nature of such failure is such that more than thirty (30) days are reasonably required for its remedy or cure, then such 30-day period shall be extended for up to sixty (60) additional days provided that the Company begins such remedy or cure within such 30-day period and thereafter diligently and continuously prosecutes such remedy or cure to completion within such additional 60-day period. Notwithstanding the forgoing, an Event of Default shall be deemed to exist if Company (i) fails to meet any deadline specified in Section 4.05 (Development Milestones) and such failure continues following five days’ written notice from City, (ii) is in breach in the timely performance of its obligations under Section 7 (Insurance), or (iii) is in breach of Article 16 (Assignment and Sublease), in the case of (ii) and (iii) without any requirement that City provide notice of or opportunity to cure any such breaches.

(c) The Company files a voluntary petition in bankruptcy or any petition or answer seeking or acquiescing in any reorganization, rehabilitation, arrangement, composition, readjustment, liquidation, dissolution or other relief under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors; or an order for relief is entered in an involuntary bankruptcy case filed against the Company and such order is not reversed within ninety (90) days thereafter; or the Company seeks or consents to or acquiesces in the appointment of any trustee, custodian, receiver or liquidator of itself or of all or any part of its assets or any interest therein; or the Company shall make a general assignment for the benefit of its creditors.

(d) A petition or case is filed against the Company seeking any reorganization, rehabilitation, arrangement, composition, readjustment, liquidation, dissolution or other relief under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, or the appointment of any trustee, custodian, receiver or liquidator of the Company or of all or any part of its assets or any interest therein, and such petition, case or appointment is not dismissed within ninety (90) days after such filing or appointment.

(e) The Company abandons all or any material part of the Company’s business on the Leased Premises permitted under Article 5 above or ceases to conduct all or any material part of the Company’s business at the Leased Premises permitted under Article 5 above for forty-five (45) days during any period of ninety (90) consecutive days.

Section 14.02 **REMEDIES.**

Upon the occurrence of any Event of Default, the City may at any time thereafter, with or without notice or demand (except as expressly specified in Section 14.01 above or elsewhere in this Lease), and without limiting the City in the exercise of any right or remedy that the City may have by reason of such Event of Default:

(a) Terminate the Company's right to possession of the Leased Premises by any lawful means, in which case this Lease shall terminate and the Company shall surrender possession of the Leased Premises to the City within the provisions of the lease termination. In such event the City shall be entitled to recover from the Company all damages incurred by the City by reason of the Company's default, including but not limited to the cost of recovering possession of the Leased Premises; cost of repairs for any and all damages to the Leased Premises, ordinary wear and tear excepted; cost of any repairs or improvements required to bring the Leased Premises up to code and obtain an certificate of occupancy, if said Leased Premises is left in an untenable state by the Company; and the worth at the time of award by the court having jurisdiction thereof of (i) the amount of unpaid Rent and other unpaid amounts under this Lease which had been earned at the time of termination, (ii) the unpaid Rent and other amounts under this Lease which would have been earned after termination until the time of award. The worth at the time of award of the sums referred to in clauses (i) and (ii) above shall be computed by allowing interest from the due date at the greater of five percent (5%) per annum or the legal rate applicable to money judgments entered by the courts of the State of Florida.

(b) Without terminating this Lease, enter and repossess the Leased Premises, remove the Company's property and signs therefrom, and re-let the same for such rent and upon such terms as shall be satisfactory to the City without such re-entry and repossession working a forfeiture of the Rent and other amounts to be paid and prior to the lease termination, the covenants to be performed by the Company during the remaining Lease Term. For the purpose of such re-letting, the City shall be entitled to make any repairs, changes, alterations or additions in or to the Leased Premises that may be necessary or convenient, and the City shall be entitled to recover from the Company the cost of repairs for any and all damages to the Leased Premises, ordinary wear and tear excepted; and, cost of any repairs or improvements required to bring the Leased Premises up to code and obtain an Certificate of Occupancy, if said Leased Premises is left in an untenable state by the Company.

(c) Maintain the Company's right to possession, in which case this Lease shall continue in effect whether or not the Company shall have abandoned the Leased Premises. In such event the City shall be entitled to enforce all of the City's rights and remedies under this Lease, including the right to recover Rent and other amounts as they become due hereunder.

(d) Pursue any other remedy now or hereafter available to the City at law or in equity under the laws or judicial decisions of the State of Florida, including without limitation any right or remedy available to a creditor under the Uniform Commercial Code.

Section 14.03 **RIGHTS AND REMEDIES OF THE CITY CUMULATIVE**

All rights and remedies of the City herein created or otherwise existing or arising at law or in equity by reason of any Event of Default are cumulative, and the exercise of one or more rights or remedies shall not operate to exclude or waive the right to the exercise of any other. All such rights and remedies may be exercised and enforced concurrently. Further, failure by the City to take any authorized action upon the occurrence of an Event of Default shall not be construed to be or act as a waiver of said Event of Default or of any subsequent Event of Default. The City's acceptance of Base Rent, Additional Rent or other amounts or payments by the Company for any period or periods after the occurrence of an Event of Default shall not be deemed a waiver of such Event of Default or a waiver of or estoppel to enforce any right or remedy on the part of the City arising or existing by reason of such Event of Default.

END OF ARTICLE

ARTICLE 15. HOLDING OVER

It is agreed and understood that any holding over by the Company, with the City's written consent, after the termination of this Lease, shall not serve to renew and extend same, but shall operate and be construed as a tenancy from month-to-month, subject to all terms and conditions of this Lease, including without limitation all Rent provisions.

Should the Company hold over without the City's written consent, the Company agrees to pay to the City, as monthly Rent during such period of holding over, for such Leased Premises for each month until the Company completely vacates the Leased Premises, two hundred percent (200%) of the sum of (i) Base Rent payable for the last month of the Lease Term, including without limitation applicable taxes and (ii) all Additional Rent and other fees and charges required by this Lease or by City ordinance to be paid by the Company.

The Company shall be liable to the City for all loss or damage resulting from such holding over against the City's will after the termination of this Lease, whether such loss or damage may be contemplated at this time or not. It is expressly agreed that acceptance of the foregoing rental by the City, in the event that the Company fails or refuses to surrender possession, shall not serve to grant the Company any right to remain in possession beyond the period for which such amount has been paid nor shall it constitute a waiver by the City of its right to immediate possession thereafter.

END OF ARTICLE

ARTICLE 16. ASSIGNMENT AND SUBLEASE

Section 16.01 **LEASE ASSIGNMENT**

The Company shall have the right to assign this Lease to its Affiliate identified as the tax credit applicant under the RFA, without any further approval from the City. Except as permitted in the foregoing sentence, the Company shall not assign this Lease or the Company's interest in or to the Leased Premises, or any part thereof, without first having obtained the City's prior written consent which consent shall be in the City's sole and absolute discretion (except for leasing of residential units and granting licenses or other rights of entry upon the Leased Premises for maintenance and upkeep of the Leased Premises or to provide standard services to the residential sublessee (for example providers of internet services and cable television), subject at all times, none of which shall require the prior written consent of City). Without limiting the foregoing, it is a precondition to City review and approval of a requested assignment of this Lease that there shall then exist no uncured Event of Default nor any event or state of facts which with notice or the lapse of time, or both, would constitute an Event of Default. Any transfer of more than fifty percent (50%) of the equity ownership of the Company, whether such transfer of equity ownership occurs pursuant to a single transaction or a series of related transactions, shall be deemed to be an assignment of this Lease for purposes of this Section 16.01.

In the event that the Company requests permission to assign this Lease in whole or in part, the request shall be submitted to the City not less than thirty (30) days prior to the proposed effective date of the assignment requested, and shall be accompanied by a copy of the proposed assignment agreement(s) and of all agreement(s) collateral thereto, together with the following information and any other reasonable and pertinent information requested by the City: the identity and contact information of the assignee, whether the requested assignment is a full or partial assignment of this Lease, details of the proposed assignee's experience in development and operation of multifamily housing projects, and reasonable financial history and financial information of the assignee.

Section 16.02 **LEASED PREMISES SUBLEASE**

The Company shall not sublet the Leased Premises or any part thereof, regardless of the time period, without having first obtained the City's prior written consent, which consent shall be in the City's sole and absolute discretion. Without limiting the generality of the foregoing, it is a precondition to City review and approval of a proposed sublease of the Leased Premises that there shall then exist no uncured Event of Default nor any event or state of facts that with notice or the lapse of time, or both, would constitute an Event of Default.

In the event that the Company requests permission to sublet the Leased Premises in whole or in part to any person or entity other than a resident of a Unit, the request shall be submitted to the City not less than sixty (60) days prior to the proposed effective date of the sublease requested, and shall be accompanied by a copy of the proposed sublease agreement(s) and of all agreement(s) collateral thereto, together with the following information and any other information requested by the City: the identity and contact information of the sublessee, a description of the part of the Leased Premises to be subleased, a statement of the entire consideration to be received by the Company by reason of such sublease (including but not limited to sublease rent and other fees and

charges payable by the sublessee), the type of business to be conducted on subleased premises by the sublessee, and reasonable financial history and financial information of the sublessee.

For purposes of this Section 16.02 and Section 16.03 below, “sublease” and related terms shall include, without limitation, any sublease, license, or agreement, regardless of how denominated, that permits a third party to occupy or use all or any part of the Leased Premises other than those persons who use the Leased Premises in the ordinary course of Company’s business for the use permitted under Article 5 above.

Section 16.03 CONSUMMATION OF ASSIGNMENT OR SUBLEASE

The City’s consent for the assignment or sublease for which the City’s consent is required and for which such consent has been given shall be by written instrument, in form and substance reasonably satisfactory to the City, and shall be executed by the assignee or sublessee who shall agree, in writing, for the benefit of the City, to be bound by and to perform all the terms, covenants, and conditions of this Lease. Failure either to obtain the City’s prior written consent or to comply with the provisions of this Lease shall serve to prevent any such transfer, assignment, or sublease from becoming effective and shall constitute an Event of Default by the Company.

The Company agrees and acknowledges that it shall remain fully and primarily liable for all obligations of Company under this Lease, notwithstanding any full or partial assignment of this Lease or any sublease of all or any portion of the Leased Premises.

END OF ARTICLE

ARTICLE 17. DAMAGE OR DESTRUCTION OF LEASED PREMISES; TAKING BY EMINENT DOMAIN

Section 17.01 **LEASED PREMISES -- DAMAGE OR DESTRUCTION**

If at any time during the continuance of this Lease, the Leased Premises shall be so destroyed or so injured by fire or other casualty as to be unfit for full occupancy and use by the Company, and such destruction or injury could reasonably be repaired within three hundred sixty-five (365) days from the date of such destruction or injury, then the Company shall not be entitled to surrender possession of the Leased Premises; provided, however, that the Company's obligation to pay Rent shall be equitably reduced to the extent of the diminution in use to the Company resulting from such destruction or injury until full use and occupancy is restored to the Company. The Company shall repair the damage with all reasonable speed at least to the extent of the value and as nearly as possible to the character and quality of the building and improvements existing immediately prior to such occurrence. In no event shall the abatement or diminution of rent extend beyond a period of three hundred sixty-five (365) days from the date of destruction or injury.

If the Leased Premises shall be so destroyed or injured by fire or other casualty that such destruction or injury could not reasonably be repaired within three hundred sixty-five (365) days from the date of such destruction or injury, the Company shall have the option, upon written notice given to the City within thirty (30) days from the date of such destruction or injury, to terminate this Lease, and upon giving of such notice this Lease shall be terminated as of the date of such destruction or injury. In such event, the City shall be entitled to use any and all insurance proceeds for the purpose of removing the damaged structure from the property and bringing the property into the same condition as existed at the commencement of the Lease. In the event the Company elects not to terminate this Lease in accordance with the foregoing options, the Company shall repair the damage and restore or rebuild the building and improvements as promptly as reasonably possible after the three hundred sixty-five (365) day period, in which case the period of rent abatement or diminution shall be extended until full use and occupancy is restored to the Company. In no event, shall the prior of abatement or diminution of rent extend beyond a period of twelve (12) months from the date of destruction or injury, unless otherwise mutually agreed by the parties.

Notwithstanding the foregoing provisions of this Article, in the event of damage or destruction, as aforesaid, such that fifty percent (50%) or more of the total floor area of the buildings included as part of the Leased Premises is rendered unfit for occupancy and use by the Company during the last three (3) years of the Lease Term, then either Party shall have the option, upon written notice given to the other Party within thirty (30) days from the date of such destruction or injury, to terminate this Lease, and upon the giving of such notice this Lease shall be terminated as of the date of such destruction or injury.

Section 17.02 **TAKING BY EMINENT DOMAIN**

In the event the Leased Premises or any portion thereof shall be taken for public or quasi-public use or condemned under eminent domain, then if and when there is an actual taking which shall render the Leased Premises unfit for the use and occupancy by the Company substantially as used and occupied prior to such taking, the Company may terminate this Lease. The Leased Premises shall be deemed to be unfit for use by the Company if the area of the portion thereof remaining after such taking is less than sufficient to accommodate the operations carried on by the Company

just prior to such taking. If the Company elects to terminate this Lease as provided above, it shall give written notice to the City within thirty (30) days after the later of (a) the entry of the final order of court authorizing the taking or appropriation or the date of settlement, as the case may be, or (b) the taking of physical possession by the condemner.

END OF ARTICLE

ARTICLE 18. TAXES

Section 18.01 **PAYMENT OF TAXES**

The Company shall pay all taxes that may be levied upon, assessed, or charged the Company or its property located on the Leased Premises by the United States, the State of Florida or any of its political subdivisions, or Escambia County or the City, or any other taxing authority not otherwise exempted pursuant to applicable law, and shall obtain and pay for all licenses and permits required by law. It is understood that Company will seek a property tax exemption pursuant to the Live Local Act.

Section 18.02 **REAL PROPERTY TAXES**

The Company shall be responsible for all real property taxes applicable to the Leased Premises during the Lease Term. If any such taxes paid by the Company shall cover any period of time prior to or after the expiration of the Lease Term, the Company's share of such taxes shall be equitably prorated to cover only the period of time within the tax year during which this Lease shall be in effect, and the City shall reimburse the Company to the extent required. If the Company shall fail to pay any such taxes, the City shall have the right, but not the obligation, to pay the same, in which case the Company shall repay such amount to the City upon demand, together with interest at the highest rate allowed by law.

Section 18.03 **DEFINITION**

As used herein the term "real property tax" shall mean all ad valorem and non-ad valorem taxes and assessments (including interest and penalties thereon) which are imposed against any legal or equitable interest of the City or the Company in the Leased Premises or any portion thereof by the City, Escambia County or the State of Florida or by any school, agricultural, lighting, fire, mosquito control, water, drainage or other improvement, benefits or tax district thereof, and which are collected by the Escambia County, Florida, Tax Collector, together with any tax imposed in substitution, partially or totally, of any tax previously included within the definition of "real property tax" and any additional tax the nature of which was previously included within the definition of "real property tax".

Section 18.04 **CONTEST**

The Company may contest the legal validity or amount of any taxes, assessment, or charges for which the Company is responsible under this Lease, and may institute such proceedings as the Company considers necessary. If the Company protests any such tax, assessment or charge, the Company may withhold or defer payment or pay under protest but shall indemnify and hold the City and the Leased Premises harmless from and against any claim or lien against the City or the Leased Premises arising out of the Company's failure to pay the contested taxes, assessments or charges. City agrees to reasonably cooperate, at no cost to City, with any effort on the part of Company to appeal any tax assessment.

Section 18.05 **PERSONAL PROPERTY TAXES**

The Company shall pay prior to delinquency all taxes assessed against and levied upon trade fixtures, furnishings, equipment and all other personal property of the Company contained in the Leased Premises. When possible, the Company shall cause said trade fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the Land and

Leased Premises. If any of the Company's said personal property shall be assessed with the Land or Leased Premises, the Company shall pay the taxes attributable to the Company within ten (10) days prior to the delinquency date for payment of such taxes.

END OF ARTICLE

ARTICLE 19. ENCUMBRANCE OF LEASEHOLD ESTATE; LEASEHOLD FINANCING;
AND NOTICE TO MORTGAGEES AND INVESTOR

Section 19.01 **RIGHT TO MORTGAGE**

The Company shall have the right to grant such mortgages of its interest in the Lease and the Leased Premises (each a “Leasehold Mortgage” and collectively, the “Leasehold Mortgages”) to those lenders identified in any credit underwriting report issued in connection with an allocation of Housing Credits for the Project (each a “Leasehold Mortgagee” and collectively, the “Leasehold Mortgagees”), and, in connection therewith, to pledge or assign its interest in this Lease to such Leasehold Mortgagees. Company shall deliver to City a written notification containing the name and the address(es) to which notices to the Leasehold Mortgagee are to be sent. Neither the Company nor any of the Company’s permitted successor(s) in interest to the Project or any part thereof shall, without the prior written consent of City, engage in any financing or other transaction creating any mortgage or other encumbrances or lien upon the Project, whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attach to the Project, except for (i) the Leasehold Mortgages to a Leasehold Mortgagee, and (ii) for the refinancing, replacement or substitution of a loan secured by a Leasehold Mortgage for a new or modified loan (or a portion thereof) secured by a then existing Leasehold Mortgage, as the same may then be modified or amended or by a new or leasehold mortgage granted to a new or existing lender, and in such case, such new or modified leasehold mortgage shall be deemed a Leasehold Mortgage for purposes hereof and such new or existing lender shall be deemed a Leasehold Mortgagee.

(a) Leasehold Mortgagees shall have the right:

1. To do any act or thing required of Company hereunder and all such acts or things done and performed shall be as effective to prevent a forfeiture of Company’s rights hereunder as if done by the Company; and
2. To realize on the security afforded by the leasehold estate by exercising foreclosure proceedings or power of sale or other remedy afforded in law or in equity or by the security documents (hereinafter sometimes collectively referred to as “foreclosure sale”) or to acquire by deed-in-lieu, and to transfer, convey, or assign the title of Company to the leasehold estate created hereby to any purchaser at any such foreclosure sale or transfer from Lender if Lender acquires by a deed-in-lieu and to acquire and succeed to the interest of Company hereunder by virtue of any such foreclosure sale or deed-in-lieu.

(b) In the event of a default by the Company under this Lease, the rights of City may not be exercised until written notice of such default is delivered to Lender, or to the person or firm designated by any such Lender, by written notice to City, to accept such notices, and any applicable cure period has expired. Lender shall have the same notice and cure rights as are provided to Company under this Lease, except that Lender shall have the right to cure a monetary default as described in Section 14.01(a) within ten (10) days from delivery of said notice.

(c) Lender shall not be liable to the City as an assignee of this Lease unless and until such time as such Lender shall acquire the rights of Company hereunder through foreclosure or other appropriate proceedings in the nature thereof, or by deed-in-lieu, or as a result of any other action or remedy provided for by such mortgage, or which may otherwise be provided by law.

(d) No modification or voluntary surrender by the Company of this Lease shall be made without the consent of Lender if Lender has requested such authority to consent by written notice delivered to City.

(e) The City agrees to provide an estoppel certificate upon written request of Lender acknowledging that (to the extent true and noting any exceptions) this Lease is in full force and effect; that there are no defaults that exist under the Lease; that the Rent is current; and such other matters as Lender may reasonably require.

Section 19.02 CONSENT REQUIRED FOR TERMINATION AND AMENDMENTS

No cancellation, termination, surrender or modification of this Lease for any reason (whether by reason of a default on the part of either City or Company, by agreement between City and Company or otherwise) shall be effective as to any Leasehold Mortgagee without its prior written consent, which may be withheld or granted in such Leasehold Mortgagee's sole and absolute discretion. Notice of any such consent by Leasehold Mortgagee shall be delivered to City pursuant to the provisions hereof.

Section 19.03 DEFAULT NOTICE

City, upon providing Company with any notice of default under this Lease, shall at the same time provide a copy of such notice to every Leasehold Mortgagee of whom it has knowledge pursuant to notice from Company provided in accordance with Section 19.01 hereof. City's failure to give notice to every Leasehold Mortgagee shall not however affect the validity of the notice provided to Company or allow Company additional time to cure a default. Notice to any Leasehold Mortgagee shall be given in the manner herein. Any Leasehold Mortgagee shall have the same period, after the giving of such notice to the Company, for remedying any default or causing the same to be remedied, as is given Company after the giving of such notice to Company, plus, in each instance, the additional periods of time specified in Section 19.01 to remedy, commence remedying or cause to be remedied the defaults specified in any such notice. City shall accept such payment or performance by or at the instigation of such Leasehold Mortgagee as if the same had been done by Company. Subject to the terms of this Lease, Company authorizes any and each Leasehold Mortgagee to take any such action at such Leasehold Mortgagee's option and does hereby authorize entry upon the Leased Premises by the Leasehold Mortgagee for such purpose.

Section 19.04 NO OTHER ENCUMBRANCES

Company shall not encumber by mortgage or other security instrument, by way of collateral assignment, or otherwise, Company's interest in this leasehold estate without the prior written consent of City, which consent shall not be unreasonably withheld, conditioned or delayed, except that Company may, without City's consent: (i) assign or mortgage this Lease to any Leasehold Mortgagee; (ii) create or suffer to exist (a) any inchoate lien for taxes or municipal obligations, or (b) other transfers or encumbrances expressly permitted herein..

END OF ARTICLE

ARTICLE 20. GENERAL PROVISIONS

Section 20.01 **ACKNOWLEDGMENT**

The Parties hereto acknowledge that they have thoroughly read this Lease, including any exhibits or attachments hereto, and have sought and received whatever competent advice and counsel necessary for them to form a full and complete understanding of their rights and obligations hereunder. The Parties further acknowledge that this Lease is the result of extensive negotiations between the Parties and shall not be interpreted against the City by reason of the preparation of this Lease by the City.

Section 20.02 **CAPACITY TO EXECUTE**

The individuals executing this Lease personally warrant that they have full authority to execute this Lease on behalf of the entity for whom they are acting hereunder.

Section 20.03 **DELIVERY OF NOTICES**

Any notices permitted or required by this Lease shall be in writing and delivered personally or sent by registered or certified U. S. mail, postage prepaid, or by courier service, such as FedEx or UPS. Any such notice shall be deemed to have been delivered to and received by the addressee (i) upon personal delivery, (ii) the next business day after deposit with a courier service such as FedEx or UPS, or (iii) five (5) business days after deposit in the U. S. mail.

Notices to the City shall be addressed to:

City of Pensacola
Attention: Lease Manager
222 West Main Street
Pensacola, Florida 32502

With copies to:

City of Pensacola
Attention: CRA Division Manager
222 West Main Street
Pensacola, Florida 32502

City of Pensacola
Attention: City Attorney
222 West Main Street
Pensacola, Florida 32502

Notices to the Company shall be addressed to:

Smith & Henzy Affordable Group, Inc.
1100 NW 4th Avenue
Delray Beach, Florida 33444
Attn: Darren Smith
dsmith@smithhenzy.com

With copies to:

Shutts & Bowen LLP
200 South Biscayne Boulevard
Suite 4100
Miami, Florida 33131
Attention: Robert Cheng, Esq.
Email: rcheng@shutts.com

Promptly following the recording of any Leasehold Mortgage, Company shall provide notice information for such Leasehold Mortgagee to City. A party may change its address by giving written notice to the other party as specified herein.

Section 20.04 ENTIRE AGREEMENT

This Lease constitutes the entire agreement between the Parties on the subject matter hereof and may not be changed, modified, discharged, or extended except by written instrument duly executed by the City and the Company, and all prior and contemporaneous agreements and understandings, written as well as oral, are hereby superseded. The Company agrees that no representations or grants of rights or privileges shall be binding upon the City unless expressed in writing in this Lease.

Section 20.05 FORCE MAJEURE

Each party's obligations under this Lease shall be abated or excused (other than the Company's obligation to pay Rent) on a day-for-day basis when performance of such obligations is rendered impossible or impracticable by reason of strikes, riots, acts of God, theft, fire, flood, public enemy, injunction, closure of capital markets, insurrection, court order, requisition of other governmental body or authority, war, acts of terrorism, governmental laws, regulations or restrictions, pandemic or epidemic disease and related quarantine restrictions, strikes or lockouts, freight embargoes (each, a "Force Majeure Event"), until such Force Majeure Event is eliminated or ceases to exist; provided however, that each responsible party shall use all due diligence to eliminate or mitigate such Force Majeure Event or the effects thereof as soon as possible.

Section 20.06 RULES OF CONSTRUCTION

Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Lease Agreement: words importing the singular number shall include the plural number and vice versa; captions and headings herein are for convenience but are to be read in unison with the language of the section to include its defined meaning or generally accepted meaning of the header and is otherwise also for reference and should constitute a material part of this Lease Agreement, but shall affect and read in toto to its meaning, construction or effect; words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neutral genders, and words of the neutral gender shall be deemed and construed to include correlative words of the masculine and feminine genders; all references in this Lease Agreement to particular "articles," "sections," or "paragraphs" are references to articles, sections or paragraphs within this Lease Agreement, unless specifically indicated otherwise; and, days are measured in calendar days unless expressly listed in business days.

Both City and Company acknowledge that they have each had meaningful input into the provisions and conditions of this Lease Agreement.

SECTION 20.07 GENERAL INTERPRETATION

Each of the Parties, however, has entered into this Lease solely for its own benefit; and (without limiting the right of either Party to maintain suits, actions, or other proceedings because of breaches of this Lease) this Lease does not grant to any third person (excepting a successor party to the City or the Company) a right to claim damages or bring any suit, action, or other proceeding against either the City or the Company because of any breach hereof.

Section 20.08 GOVERNING LAW

The laws of the State of Florida shall govern this Lease and all disputes arising hereunder, with venue in Escambia County, Florida.

Section 20.09 INCORPORATION OF EXHIBITS

All exhibits referred to in this Lease are intended to be and hereby are specifically incorporated and made a part of this Lease.

Section 20.10 INCORPORATION OF REQUIRED PROVISIONS

The Parties hereto incorporate herein by this reference all applicable provisions lawfully required to be contained herein by any governmental body or agency.

Section 20.11 INVALID PROVISIONS

In the event that any covenant, condition, or provision herein contained is held to be invalid by a court of competent jurisdiction, the invalidity of any such covenant, condition, or provision shall in no way affect any other covenant, condition, or provision herein contained, provided that the invalidity of any such covenant, condition, or provision does not materially prejudice either the City or the Company in its respective rights and obligations contained in the valid covenants, conditions, and provisions of this Lease.

Section 20.12 NONLIABILITY OF INDIVIDUALS

No director, officer, agent, elected official, or employee of either Party shall be charged personally or held contractually liable by or to the other Party under any term or provision of this Lease or because of any breach hereof or because of its or their execution or attempted execution.

Section 20.13 NOTICE OR CONSENT

Any notice or consent required herein to be obtained from or given by the City may be given by the Mayor of the City, except that exercise of any rights granted to the City under Section 20.23, below, shall be exercised by the City Council of the City of Pensacola. In any event, the City shall not be required or expected to provide its consent until the item for decision has been reviewed and approved by the Community Redevelopment Agency of the City of Pensacola. Consent of the Company when required herein shall not be unreasonably withheld, delayed, or conditioned.

Section 20.14 NONWAIVER

The acceptance of rentals, fees, and charges by the City for any period or periods after a default of any of the terms, covenants, and conditions contained herein to be performed, kept, and observed

by the Company shall not be deemed a waiver of the event of the default cured by payments made by the Company to the City, and any right on the part of the City to terminate this Lease after the default is cured and payment is received by the City is waived by the City's acceptance of the money that may be the basis of the event of the default.

Section 20.15 PUBLIC RECORDS LAWS

The Florida public records law, as contained in Chapter 119, Florida Statutes, is very broad. As a result, any written communication created or received by the City will be made available to the public and media, upon request, unless a statutory exemption from such disclosure exists. The Company is a private Company and is not ordinarily subject to Public Records Laws, but shall comply with the Florida Public Records Law in effect from time to time if and to the extent that the Florida Public Records Law is applicable to the Company.

Section 20.16 REMEDIES TO BE NONEXCLUSIVE

All remedies provided in this Lease shall be deemed cumulative and additional and not in lieu of or exclusive of each other or of any other remedy available to the City at law or in equity (to the extent not inconsistent with the express provisions hereof) and the exercise of any remedy or the existence herein of other remedies or indemnities shall not prevent the exercise of any other remedy.

Section 20.17 SUCCESSORS AND ASSIGNS

The provisions of this Lease shall be binding upon and inure to the benefit of the successors and assigns of the Parties hereto; provided, however, that this provision shall in no way whatsoever alter the restriction herein regarding assignment and sublease by the Company.

Section 20.18 NO PARTNERSHIP

Nothing in this agreement constitutes a partnership or joint venture between the Parties. It is the express intention of the Parties to deny any such relationship.

Section 20.19 THIRD PARTIES

Nothing in this Lease, express or implied, is intended to or shall confer upon any person, other than the Parties and their respective permitted successors and assigns, any right, benefit or remedy of any nature whatsoever under or by reason of this Lease.

Section 20.20 TIME IS OF THE ESSENCE

Time is of the essence of this Lease.

Section 20.21 RADON

In accordance with Florida law, the following disclosure is hereby made:

RADON GAS: Radon gas is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risk to persons who are exposed over time. Levels of radon that exceed Federal and State Guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

Section 20.22 OPTION EXPANSION

In the event that the City acquires title to that certain parcel of real property located at 2301 W. Cervantes Street, Pensacola, Florida, as more particularly described in Exhibit B (the “Additional Land”) attached hereto, then the City shall deliver written notice to the Company notifying it of such acquisition within 90 days following closing (“Acquisition Notice”). The Company may thereafter elect to expand the Land to additionally include such property (“Expansion Option”). Any such election to exercise the Expansion Option shall be by written notice to the Company within 30 days following delivery of the Acquisition Notice.

Section 20.23 RIGHT TO CANCEL

Notwithstanding anything in this Lease to the contrary, there shall exist the following rights to terminate this Lease, and, in the event of such termination, the parties shall be discharged from any and all liabilities and obligations arising under this Lease except for those which expressly survive termination.

(a) The Company may terminate this Lease for any reason or no reason in the Company’s discretion upon written notice delivered to the City within 60 days following the Effective Date.

(b) In the event the Company fails to be awarded funds in response to its application to the RFA by the Award Deadline, then (i) the Company may terminate this Lease upon written notice delivered to the City within 30 days of the date of the Award Deadline, and (ii) the City may terminate this Lease upon written notice delivered to the Company within 60 days of the Award Deadline.

(c) In the event the City does not receive the Vouchers for use in operation of the Project, then the City or Company may terminate this Lease upon written notice delivered to the other party within 30 days following delivery of the Vouchers Notification to the Company.

Section 20.24 MEMORANDUM OF LEASE

Concurrently with the execution of this Lease, the Parties shall execute a short-form memorandum of this Lease in form and substance satisfactory to the City. The Company shall cause such memorandum of Lease to be recorded in the public records of Escambia County, Florida.

Section 20.25 COOPERATION

City and Company recognize that the redevelopment process and the varied sources of Project funding make it extremely difficult to anticipate every potential provision which may be required in this Lease. From time to time, Company may request modifications to the Lease to satisfy the requirements of financing sources including, without limitation, government agencies and private lenders and equity sources. Upon receipt of such written request and supporting documents and information as may be reasonably requested by the City, the City will use reasonable efforts to accommodate such requests and will not unreasonably withhold or condition its approval and execution of modifications to this Lease which (a) are reasonably required to secure financing for the Project, and (b) do not materially and adversely alter the basic terms hereof or materially increase the risk profile to the City. Nothing herein shall impose upon City any requirement to

approve any modification or amendment to the Lease which would violate or contravene any applicable laws or any contract or agreement to which City is a party or which is binding on City.

Section 20.26 LIMITATION ON COMPANY INDEMNITEES

With respect to the indemnitees provided by the Company in this Lease, liability thereunder shall not extend to any costs, claims, liens, damages, losses, expenses, fees, fines, penalties, arbitration awards, regulatory actions, administrative actions, proceedings, actions, demands, causes of action, liability and suits of any kind and nature which are caused by the gross negligence or willful misconduct of the City or any other indemnitee

END OF ARTICLE

IN WITNESS WHEREOF, the undersigned have duly executed this Lease as of the dates set forth below.

CITY:

CITY OF PENSACOLA,
a Florida municipal corporation

COMPANY:

**SMITH & HENZY AFFORDABLE
GROUP, INC.,** a Florida corporation

By: _____
D.C. Reeves, Mayor

Sign: _____
Print: _____
Title: _____

Date: _____

Date: _____

Attest:

Ericka Burnett, City Clerk

Approved as to form

Adam C. Cobb, City Attorney

Approved as to content:

Victoria D'Angelo, CRA Division Manager

EXHIBIT A -

All of Block 173 of the West King Tract, County of Escambia, Florida, according to map of said City, copyrighted by Thomas C. Watson in 1906, less and except the West 60 feet thereof, and less and except the East 60 feet of the North 90 feet thereof.

EXHIBIT B – LEGAL DESCRIPTION OF ADDITIONAL LAND

The North 90 feet of the East 60 feet of the North 150 feet of Block 173 of the West King Tract, in the City of Pensacola, County of Escambia, Florida, according to map of said City, copyrighted by Thomas C. Watson in 1906.

Memorandum

File #: 24-689

Community Redevelopment Agency

8/5/2024

RESOLUTION

SPONSOR: Jennifer Brahier - Chairperson

SUBJECT:

BUDGET RESOLUTION NO. 2024-56 CRA - ADOPTING A BUDGET FOR THE TAX INCREMENT FINANCING DISTRICTS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2024

RECOMMENDATION:

That the Community Redevelopment Agency adopt Budget Resolution No. 2024-56 CRA adopting a budget for Fiscal Year 2025 for the Urban Core Tax Increment Financing District, the Eastside Tax Increment Financing District and the Westside Tax Increment Financing District. Further that the Community Redevelopment Agency formally recommend to City Council to take action to approve the budgets for the tax increment financing districts.

A RESOLUTION OF THE PENSACOLA COMMUNITY REDEVELOPMENT AGENCY ADOPTING A BUDGET FOR THE URBAN CORE TAX INCREMENT FINANCING DISTRICT, THE EASTSIDE TAX INCREMENT FINANCING DISTRICT AND THE WESTSIDE TAX INCREMENT FINANCING DISTRICT FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2024; PROVIDING AN EFFECTIVE DATE.

SUMMARY:

There are three Tax Increment Financing (TIF) Districts contained within the City of Pensacola's Fiscal Year 2025 Proposed Budget- the Urban Core TIF, the Eastside TIF, and the Westside TIF. The concept of a Community Redevelopment Agency (CRA) using the Tax Increment Financing (TIF) funds relates to the growth, redevelopment and subsequent property value increase in the TIF district to the continued improvement of the district. TIF funds can only be used to undertake activities authorized by Chapter 163, Part III, Florida Statutes and the community redevelopment plan applicable to each district.

Pursuant to the Florida Statutes, the CRA must approve its budget annually. The CRA-approved budget is subject to final approval by City Council.

PRIOR ACTION:

July 15, 2024 - The Fiscal Year 2025 Proposed Budget was presented to the CRA.

FUNDING:

N/A

FINANCIAL IMPACT:

Adoption of the budget resolution maintains compliance with the Florida Statutes pertaining to tax increment financing districts.

LEGAL REVIEW ONLY BY CITY ATTORNEY: No

STAFF CONTACT:

Amy Miller, City Administrator (Interim)
Erica Grancagnolo, Economic Development Director
Victoria D'Angelo, CRA Division Manager
Hilary Halford, Asst. CRA Division Manager
Amy Lovoy, Finance Director

ATTACHMENTS:

1. Budget Resolution No. 2024-56 CRA
2. CRA Budget Presentation - FY2025 - CROSSWALK FROM JUNE TO JULY

PRESENTATION: No

CRA RESOLUTION NO: 2024-56 CRA

A RESOLUTION OF THE PENSACOLA COMMUNITY REDEVELOPMENT AGENCY ADOPTING A BUDGET FOR THE URBAN CORE TAX INCREMENT FINANCING DISTRICT, THE EASTSIDE TAX INCREMENT FINANCING DISTRICT AND THE WESTSIDE TAX INCREMENT FINANCING DISTRICT FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2024; PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE GOVERNING BOARD OF THE COMMUNITY REDEVELOPMENT AGENCY AS FOLLOWS:

SECTION 1. That the budgets of the Urban Core Tax Increment Financing District, the Eastside Tax Increment Financing District and the Westside Tax Increment Financing District, summarized as to estimated revenues, appropriations and transfers by fund is set forth herein;

to-wit:

are hereby adopted and approved as the final budget for the Urban Core Tax Increment Financing District, the Eastside Tax Increment Financing District and the Westside Tax Increment Financing District for the fiscal year beginning October 1, 2024.

SECTION 2. All resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 3. This resolution shall take effect October 1, 2024.

Adopted: _____

Approved: _____
Chairman, CRA

Attest:

City Clerk

CITY OF PENSACOLA, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY FUND
PROPOSED REVENUE BY SOURCE, TYPE AND DETAIL
FISCAL YEAR ENDING SEPTEMBER 30, 2025
with comparative amounts for 2022 through 2024

	ACTUAL FY 2022	ACTUAL FY 2023	BEGIN BGT FY 2024	PROPOSED FY 2025	PROJECTED FY 2026	PROJECTED FY 2027
BEGINNING FUND BALANCE	\$ 5,824,400	6,250,916	0	0	0	0
REVENUES:						
TAXES						
Escambia County	0	5,215,499	5,883,400	6,734,200	7,138,300	7,566,600
Downtown Improvement Board	0	504,624	574,100	628,800	666,500	706,500
SUB-TOTAL	0	5,720,123	6,457,500	7,363,000	7,804,800	8,273,100
CHARGES FOR SERVICES						
PSA Reserved Parking	5,940	6,356	6,000	6,000	6,000	6,000
Cedar Street	0	0	0	0	0	0
Berth Harbor Revenue	9,989	12,718	1,000	1,000	1,000	1,000
Plaza DeLuna Concession	112	4,379	9,000	9,000	9,000	9,000
SUB-TOTAL	16,041	23,453	16,000	16,000	16,000	16,000
MISCELLANEOUS	25,000	0	0	0	0	0
INTEREST	22,966	314,098	0	0	0	0
SUB-TOTAL OPERATING REVENUES	64,007	6,057,674	6,473,500	7,379,000	7,820,800	8,289,100
SUB-TOTAL OPERATING REVENUES AND FUND BALANCE	5,888,407	12,308,590	6,473,500	7,379,000	7,820,800	8,289,100
TRANSFERS IN						
Urban Core Redevelopment Trust Fund	3,990,366	0	0	0	0	0
General Fund (Agency Funding - City Portion)	0	3,381,226	3,814,200	4,365,900	4,627,900	4,905,600
SUB-TOTAL TRANSFERS IN	3,990,366	3,381,226	3,814,200	4,365,900	4,627,900	4,905,600
TOTAL REVENUES AND FUND BALANCE	\$ 9,878,773	15,689,816	10,287,700	11,744,900	12,448,700	13,194,700

CITY OF PENSACOLA, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY FUND
PROPOSED EXPENDITURES
FISCAL YEAR ENDING SEPTEMBER 30, 2025
with comparative amounts for 2022 through 2024

	ACTUAL FY 2022	ACTUAL FY 2023	BEGIN BGT FY 2024	PROPOSED FY 2025	PROJECTED FY 2026	PROJECTED FY 2027
TAX INCREMENT						
Personnel Services	\$ 486,951	481,581	575,800	946,300	974,700	974,700
Operating Expenses	581,049	630,364	1,086,400	797,000	805,000	805,000
Capital Outlay	43,000	13,546	0	109,400	0	0
Allocated Overhead/(Cost Recovery)	253,100	286,600	253,100	311,000	253,100	253,100
SUB-TOTAL	1,364,100	1,412,091	1,915,300	2,163,700	2,032,800	2,032,800
PROJECTS/PROGRAMS						
Affordable Housing & Redevelopment	1,500	647	228,200	513,900	590,700	700,000
Parks and Public Spaces	239,230	337,276	100,000	78,200	100,000	100,000
Complete Streets	23,508	0	0	797,700	674,600	860,100
Sidewalk Repairs	137,601	0	300,000	300,000	300,000	300,000
Community Policing	92,138	116,017	259,400	279,700	100,000	100,000
Downtown Initiatives (DIB Interlocal Agreement)	357,534	404,624	574,100	628,800	666,500	706,500
SUB-TOTAL	851,511	858,564	1,461,700	2,598,300	2,431,800	2,766,600
GRANTS AND AIDS						
Commercial Property Improvement Program	(300)	69,620	300,000	300,000	300,000	300,000
Affordable Housing - Residential Property Improvment Program	112,474	273,480	450,000	450,000	985,400	1,332,100
Residential Resiliency Program	0	7,229	45,000	45,000	45,000	45,000
Small Developer Affordable Housing Program	0	0	0	300,000	300,000	300,000
SUB-TOTAL	112,174	350,329	795,000	1,095,000	1,630,400	1,977,100
2009 ECUA/WWTP RELOCATION						
Principal	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
SUB-TOTAL	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
TRANSFERS OUT						
CRA Debt Service Fund	0	4,030,516	4,815,700	4,587,900	5,053,700	5,118,200
TOTAL EXPENDITURES	\$ 3,627,785	7,951,500	10,287,700	11,744,900	12,448,700	13,194,700

CITY OF PENSACOLA, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY
FUND BALANCE CARRYOVER
FISCAL YEAR ENDING SEPTEMBER 30, 2025

APPROVED
FY 2024

TRANSFERS IN

FUND BALANCE CARRYOVER \$ 5,280,300

PROJECTS

Administration & Property Management	\$ 935,900	
Residential Property Improvement Program	560,100	
Commercial Property Improvement Program	455,600	
Garden St Streetscape Contingency	115,300	
Parks and Public Spaces	483,800	
Affordable Housing & Redevelopment	2,210,100	
Residential Resiliency Program	212,500	
Sidewalk Repairs	300,000	
Urban Core TIF Plans & Studies	7,000	
		\$ 5,280,300

CITY OF PENSACOLA
URBAN CORE REDEVELOPMENT TRUST FUND
APPROVED REVENUE BY SOURCE, TYPE AND DETAIL
FISCAL YEAR ENDING SEPTEMBER 30, 2025
with comparative amounts for 2022 through 2024

	ACTUAL FY 2022	ACTUAL FY 2023	BEGIN BGT FY 2024	PROPOSED FY 2025	PROJECTED FY 2026	PROJECTED FY 2027
BEGINNING FUND BALANCE	\$ 0	0	0	0	0	0
REVENUES:						
TAXES						
Escambia County	4,626,617	0	0	0	0	0
Downtown Improvement Board	457,534	0	0	0	0	0
SUB-TOTAL	5,084,151	0	0	0	0	0
TRANSFERS IN						
General Fund (Agency Funding - City Portion)	2,999,452	0	0	0	0	0
SUB-TOTAL OPERATING REVENUES	8,083,603	0	0	0	0	0
TOTAL REVENUES AND FUND BALANCE	\$ 8,083,603	0	0	0	0	0

CITY OF PENSACOLA
URBAN CORE REDEVELOPMENT TRUST FUND
APPROVED EXPENDITURES
FISCAL YEAR ENDING SEPTEMBER 30, 2025
with comparative amounts for 2022 through 2024

	ACTUAL FY 2022	ACTUAL FY 2023	BEGIN BGT FY 2024	PROPOSED FY 2025	PROJECTED FY 2026	PROJECTED FY 2027
TRANSFERS OUT						
Community Redevelopment Agency	\$ 3,990,366	0	0	0	0	0
CRA Debt Service Fund	4,093,237	0	0	0	0	0
TOTAL EXPENDITURES	\$ 8,083,603	0	0	0	0	0

CITY OF PENSACOLA
EASTSIDE TAX INCREMENT FINANCING DISTRICT FUND
APPROVED REVENUE BY SOURCE, TYPE AND DETAIL
FISCAL YEAR ENDING SEPTEMBER 30, 2025
with comparative amounts for 2022 through 2024

	ACTUAL FY 2022	ACTUAL FY 2023	BEGIN BGT FY 2024	PROPOSED FY 2025	PROJECTED FY 2026	PROJECTED FY 2027
BEGINNING FUND BALANCE	\$ 752,270	822,811	0	0	0	0
REVENUES:						
TAXES						
Escambia County	178,747	228,723	284,100	339,700	252,200	264,800
SUB-TOTAL	178,747	228,723	284,100	339,700	252,200	264,800
INTEREST	3,113	24,533	0	0	0	0
TRANSFERS IN						
General Fund (Agency Funding - City Portion)	115,882	148,282	184,200	220,200	253,200	291,200
SUB-TOTAL	115,882	148,282	184,200	220,200	253,200	291,200
SUB-TOTAL OPERATING REVENUES	297,742	401,538	468,300	559,900	505,400	556,000
TOTAL REVENUES AND FUND BALANCE	\$ 1,050,012	1,224,349	468,300	559,900	505,400	556,000

CITY OF PENSACOLA
EASTSIDE TAX INCREMENT FINANCING DISTRICT FUND
PROPOSED EXPENDITURES
FISCAL YEAR ENDING SEPTEMBER 30, 2025
with comparative amounts for 2022 through 2024

	ACTUAL FY 2022	ACTUAL FY 2023	BEGIN BGT FY 2024	PROPOSED FY 2025	PROJECTED FY 2026	PROJECTED FY 2027
EASTSIDE TIF PROJECTS						
Personnel Services	\$ 44,477	29,087	49,000	66,700	68,703	70,806
Operating Expenses	19,943	16,314	37,500	109,400	66,200	67,100
Capital Projects	6,750	120,143	0	1,600	0	0
SUB-TOTAL	<u>71,170</u>	<u>165,544</u>	<u>86,500</u>	<u>177,700</u>	<u>134,903</u>	<u>137,906</u>
PROJECTS						
Affordable Housing & Redevelopment	0	890	0	0	0	0
Complete Streets	0	0	0	0	0	0
Parks and Public Spaces	16,438	17,902	0	0	0	0
Sidewalk Repairs	1,398	0	0	0	0	0
SUB-TOTAL	<u>17,836</u>	<u>18,792</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
GRANTS & AIDS						
Affordable Housing - Residential Property Improvement Program	17,248	56,550	260,400	250,000	250,000	297,600
Affordable Housing - Residential Resiliency Program	0	29,902	0	0	0	0
SUB-TOTAL	<u>17,248</u>	<u>86,452</u>	<u>260,400</u>	<u>250,000</u>	<u>250,000</u>	<u>297,600</u>
TRANSFERS OUT						
CRA Debt Service Fund	89,446	89,537	89,900	89,900	89,100	89,100
SUB-TOTAL	<u>89,446</u>	<u>89,537</u>	<u>89,900</u>	<u>89,900</u>	<u>89,100</u>	<u>89,100</u>
INTEREST EXPENSE	15,000	15,000	15,000	15,000	15,000	15,000
ALLOCATED OVERHEAD/(COST RECOVERY)	16,500	19,300	16,500	27,300	16,500	16,500
TOTAL EXPENDITURES	<u>\$ 227,200</u>	<u>394,625</u>	<u>468,300</u>	<u>559,900</u>	<u>505,503</u>	<u>556,106</u>

CITY OF PENSACOLA, FLORIDA
EASTSIDE TAX INCREMENT FINANCING DISTRICT FUND
FUND BALANCE CARRYOVER
FISCAL YEAR ENDING SEPTEMBER 30, 2025

		APPROVED FY 2024
		<u> </u>
FUND BALANCE CARRYOVER		\$ 594,000
		<u> </u>
PROJECTS		
Administration & Property Management	\$ 22,300	
Residential Property Improvement Program	284,400	
Affordable Housing & Redevelopment	231,200	
Residential Resiliency Program	39,900	
Eastside TIF Plans & Studies	<u>16,200</u>	
		\$ 594,000
		<u> </u>

CITY OF PENSACOLA
WESTSIDE TAX INCREMENT FINANCING DISTRICT FUND
APPROVED REVENUE BY SOURCE, TYPE AND DETAIL
FISCAL YEAR ENDING SEPTEMBER 30, 2025
with comparative amounts for 2022 through 2024

	ACTUAL FY 2022	ACTUAL FY 2023	BEGIN BGT FY 2024	PROPOSED FY 2025	PROJECTED FY 2026	PROJECTED FY 2027
BEGINNING FUND BALANCE	\$ 884,629	1,449,783	0	0	0	0
REVENUES:						
TAXES						
Escambia County	729,840	972,536	1,337,100	1,433,100	1,399,700	1,679,600
SUB-TOTAL	729,840	972,536	1,337,100	1,433,100	1,399,700	1,679,600
INTEREST	6,214	71,415	0	0	0	0
TRANSFERS IN						
General Fund (Agency Funding - City Portion)	472,841	630,118	866,900	929,100	1,114,900	1,337,900
SUB-TOTAL OPERATING REVENUES	1,208,895	1,674,069	2,204,000	2,362,200	2,514,600	3,017,500
TOTAL REVENUES AND FUND BALANCE	\$ 2,093,524	3,123,852	2,204,000	2,362,200	2,514,600	3,017,500

CITY OF PENSACOLA
WESTSIDE TAX INCREMENT FINANCING DISTRICT FUND
PROPOSED EXPENDITURES
FISCAL YEAR ENDING SEPTEMBER 30, 2025
with comparative amounts for 2022 through 2024

	ACTUAL FY 2022	ACTUAL FY 2023	BEGIN BGT FY 2024	PROPOSED FY 2025	PROJECTED FY 2026	PROJECTED FY 2027
WESTSIDE TIF PROJECTS						
Personnel Services	\$ 74,201	63,139	93,200	203,800	94,700	96,600
Operating Expenses	22,404	37,007	82,100	219,100	88,000	93,900
Capital Projects	182,146	5,258	0	8,000	0	0
Allocated Overhead/(Cost Recovery)	9,200	13,500	9,200	22,400	9,200	9,200
SUB-TOTAL	<u>287,951</u>	<u>118,904</u>	<u>184,500</u>	<u>453,300</u>	<u>191,900</u>	<u>199,700</u>
PROJECTS						
Affordable Housing & Redevelopment	2,400	582	550,600	624,800	382,800	624,500
Complete Streets	38,300	11,521	335,000	0	335,000	335,000
Sidewalk Repairs	3,214	0	0	0	0	0
SUB-TOTAL	<u>43,914</u>	<u>12,103</u>	<u>885,600</u>	<u>624,800</u>	<u>717,800</u>	<u>959,500</u>
GRANTS & AIDS						
Commercial Property Improvement Program	180	104,560	300,000	300,000	300,000	300,000
Affordable Housing - Residential Property Improvement Program	33,095	272,578	509,100	509,100	829,900	1,083,300
Residential Resiliency Program	0	26,392	45,000	45,000	45,000	45,000
Small Developer Affordable Housing Program	0	0	0	150,000	150,000	150,000
SUB-TOTAL	<u>33,275</u>	<u>403,530</u>	<u>854,100</u>	<u>1,004,100</u>	<u>1,324,900</u>	<u>1,578,300</u>
TRANSFERS OUT						
CRA Debt Service Fund	278,601	278,666	279,800	279,800	280,000	280,000
SUB-TOTAL	<u>278,601</u>	<u>278,666</u>	<u>279,800</u>	<u>279,800</u>	<u>280,000</u>	<u>280,000</u>
TOTAL EXPENDITURES	<u>\$ 643,741</u>	<u>813,203</u>	<u>2,204,000</u>	<u>2,362,000</u>	<u>2,514,600</u>	<u>3,017,500</u>

CITY OF PENSACOLA, FLORIDA
WESTSIDE TAX INCREMENT FINANCING DISTRICT FUND
FUND BALANCE CARRYOVER
FISCAL YEAR ENDING SEPTEMBER 30, 2025

APPROVED
FY 2024

FUND BALANCE CARRYOVER

\$ 2,834,700

PROJECTS

Administration & Property Management	\$ 72,500
Residential Property Improvement Program	444,100
Commercial Property Improvement Program	157,200
Complete Streets	832,200
Affordable Housing & Redevelopment	1,191,400
Residential Resiliency Program	<u>137,300</u>

\$ 2,834,700

CITY OF PENSACOLA
CRA DEBT SERVICE FUND
APPROVED REVENUE BY SOURCE, TYPE AND DETAIL
FISCAL YEAR ENDING SEPTEMBER 30, 2025
with comparative amounts for 2022 through 2024

	ACTUAL FY 2022	ACTUAL FY 2023	BEGIN BGT FY 2024	PROPOSED FY 2025	PROJECTED FY 2026	PROJECTED FY 2027
BEGINNING FUND BALANCE	\$ 3,485,066	3,828,617	0	0	0	0
REVENUES:						
INTEREST INCOME	11,814	13,683	0	0	0	0
TRANSFERS IN						
Urban Core Redevelopment Trust Fund	4,093,237	0	0	0	0	0
Community Redevelopment Agency Fund	0	4,030,516	4,815,700	4,587,900	5,053,700	5,118,200
Eastside Tax Increment Financing District Fund	89,446	89,537	89,900	89,900	89,100	89,100
Westside Tax Increment Financing District Fund	278,601	278,666	279,800	279,800	280,000	280,000
SUB-TOTAL	4,461,284	4,398,719	5,185,400	4,957,600	5,422,800	5,487,300
TOTAL REVENUES	4,473,098	4,412,402	5,185,400	4,957,600	5,422,800	5,487,300
TOTAL REVENUES AND FUND BALANCE	\$ 7,958,164	8,241,019	5,185,400	4,957,600	5,422,800	5,487,300

CITY OF PENSACOLA
CRA DEBT SERVICE FUND
APPROVED EXPENDITURES
FISCAL YEAR ENDING SEPTEMBER 30, 2025
with comparative amounts for 2022 through 2024

	ACTUAL FY 2022	ACTUAL FY 2023	BEGIN BGT FY 2024	PROPOSED FY 2025	PROJECTED FY 2026	PROJECTED FY 2027
2017 WESTSIDE REDEVELOPMENT REVENUE BOND						
Interest	113,986	108,491	102,800	102,800	97,000	97,000
Principal	165,000	171,000	177,000	177,000	183,000	183,000
SUB-TOTAL	<u>278,986</u>	<u>279,491</u>	<u>279,800</u>	<u>279,800</u>	<u>280,000</u>	<u>280,000</u>
2017 EASTSIDE REDEVELOPMENT REVENUE BOND						
Interest	36,497	34,732	32,900	32,900	31,100	31,100
Principal	53,000	55,000	57,000	57,000	58,000	58,000
SUB-TOTAL	<u>89,497</u>	<u>89,732</u>	<u>89,900</u>	<u>89,900</u>	<u>89,100</u>	<u>89,100</u>
2017 URBAN CORE REDEVELOPMENT REVENUE BOND						
Interest	159,751	156,434	153,200	153,200	149,800	149,800
Principal	155,000	155,000	155,000	155,000	155,000	155,000
SUB-TOTAL	<u>314,751</u>	<u>311,434</u>	<u>308,200</u>	<u>308,200</u>	<u>304,800</u>	<u>304,800</u>
2019 URBAN CORE REDEVELOPMENT REVENUE BOND						
Interest	1,926,740	1,875,074	1,821,800	1,821,800	1,766,800	1,766,800
Principal	1,519,571	1,567,068	1,618,700	1,618,700	1,667,000	1,667,000
Principal Reserve	0	0	1,067,000	839,200	1,315,100	1,379,600
SUB-TOTAL	<u>3,446,311</u>	<u>3,442,142</u>	<u>4,507,500</u>	<u>4,279,700</u>	<u>4,748,900</u>	<u>4,813,400</u>
TOTAL EXPENDITURES	<u>\$ 4,129,545</u>	<u>4,122,799</u>	<u>5,185,400</u>	<u>4,957,600</u>	<u>5,422,800</u>	<u>5,487,300</u>

Community Redevelopment Agency (CRA)

Detail of Differences Between Proposed Budget and Current

URBAN CORE TIF & CRA EXPENDITURES

DIFFERENCES BETWEEN 6/1 PROPOSED AND 7/1 CURRENT BUDGET

		FY 2025	FY 2025	
		PROPOSED	POST 7/1	
		BUDGET	BUDGET	DIFFERENCE
TOTAL EXPENDITURES				
2017 Urban Core Redevelopment Revenue Bond (Thru 2028)		308,200	308,200	-
2019 Urban Core Redevelopment Revenue Bond (Thru 2043)		4,279,700	4,279,700	-
ECUA/WWTP Payment (Thru 2027)		1,300,000	1,300,000	-
CRA Personnel Services & Operating		1,858,800	1,852,700	(6,100)
TIF Payment to DIB		626,400	628,800	2,400
Allocated Overhead		286,600	311,000	24,400
Community Policing		279,700	279,700	-
Residential Property Improvement Program		450,000	450,000	-
Residential Resiliency Program		45,000	45,000	-
Affordable Housing & Redevelopment		401,600	513,900	112,300
Commercial Property Improvement Program		300,000	300,000	-
Complete Streets		797,700	797,700	-
Parks & Public Spaces		78,200	78,200	-
Sidewalk Repairs		300,000	300,000	-
Small Developer Affordable Housing Program		300,000	300,000	-
Spring Streetscape		-	-	-
TOTAL EXPENDITURES		\$ 11,611,900	\$ 11,744,900	\$ 133,000

EASTSIDE CORE TIF & CRA EXPENDITURES

DIFFERENCES BETWEEN 6/1 PROPOSED AND 7/1 CURRENT BUDGET

		FY 2025	FY 2025	
		PROPOSED	POST 7/1	
		BUDGET	BUDGET	DIFFERENCE
TOTAL EXPENDITURES				
	2017 Eastside Redevelopment Revenue Bond (Thru 2037)	89,900	89,900	-
	CRA Personal Services & Operating	172,900	177,700	4,800
	Allocated Overhead	19,300	27,300	8,000
	Residential Property Improvement Program	250,000	250,000	-
	Interest Expense (Thru 2046)	15,000	15,000	-
TOTAL EXPENDITURES		547,100	559,900	12,800

WESTSIDE CORE TIF & CRA EXPENDITURES

DIFFERENCES BETWEEN 6/1 PROPOSED AND 7/1 CURRENT BUDGET

	FY2023 ADOPTED BUDGET	FY 2024 ADOPTED BUDGET	FY 2025 PROPOSED BUDGET	DIFFERENCE
TOTAL EXPENDITURES				
2017 Westside Redevelopment Revenue Bond (Thru 2037)	279,500	279,800	279,800	-
CRA Personal Services & Operating	144,700	175,300	430,900	255,600
Allocated Overhead	4,800	9,200	22,400	13,200
Complete Streets	335,000	335,000	-	(335,000)
Affordable Housing & Redevelopment	613,200	550,600	624,800	74,200
Residential Property Improvement Program	140,000	509,100	509,100	-
Residential Resiliency Program	45,000	45,000	45,000	-
Commercial Property Improvement Program	40,000	300,000	300,000	-
Small Developer Affordable Housing Program			150,000	150,000
TOTAL EXPENDITURES	1,602,200	2,204,000	2,362,000	158,000

Memorandum

File #: 24-688

Community Redevelopment Agency

8/5/2024

DISCUSSION

SPONSOR: Jennifer Brahier - Chairperson

SUBJECT:

UPDATE ON RESIDENTIAL PROPERTY IMPROVEMENT PROGRAM (RPIP)

RECOMMENDATION:

N/A

SUMMARY:

In January 2018, the Community Redevelopment Agency (CRA) approved the creation of the Residential Property Improvement Program (RPIP) which was subsequently amended. Due to significant program demand, a decision was made in November 2023 to temporarily pause the acceptance of new applications by district until wait times were reduced to approximately two (2) years or less. The pause was also intended to allow time for the transition of the program to Neighborly, a new software system used to manage all aspects of the program more effectively.

An update is provided quarterly on the status of the program. In addition to launching Neighborly, the following activity has occurred over the past quarter and wait times are estimated as shown below:

PROJECT STATUS	URBAN CORE	WESTSIDE	EASTSIDE
Completed	3	1	2
In Progress	1	2	0
On Waitlist	12	18	17
Est. Wait time*	2 years	3 years	6 years

*Based on 2-year average cost (\$76,431.94 ea.)

Acceptance of new applications within the Urban Core community redevelopment area reopened on June 1, 2024. The Westside and Eastside district waitlists remain closed until the wait time falls below 2 years.

In April 2024, the CRA Program Manager and the new CRA Program Coordinator positions were filled. New staff members are continuing to train and new invitations to bid have begun to go out for those projects at the top of the waitlists.

PRIOR ACTION:

January 8, 2018 - The CRA approved the Residential Property Improvement Program.

September 10, 2018 - The CRA approved revisions to the Residential Property Improvement Program.

March 3, 2019 - The CRA approved revisions to the Residential Property Improvement Program.

March 7, 2022 - The CRA approved the Residential Property Improvement Program policy.

November 6, 2023 - The CRA received an update on the Residential Property Improvement Program.

March 4, 2024 - The CRA received a quarterly update on the Residential Property Improvement Program.

FUNDING:

N/A

FINANCIAL IMPACT:

N/A

LEGAL REVIEW ONLY BY CITY ATTORNEY: No

STAFF CONTACT:

Erica Grancagnolo, Director Economic Development and Neighborhood Services

Victoria D'Angelo, CRA Division Manager

Hilary Halford, CRA Division Assistant Manager

ATTACHMENTS:

None

PRESENTATION: Yes