



## OUR MISSION

*INSPIRE* people with the beauty of our projects

*IMPRESS* them with the excellence of our services

*IMPROVE* the quality of life of all those we touch

January 29, 2020

Mr. Aaron Fisch

Real Estate Coordinator

City of St. Petersburg

c/o Real Estate & Property Management

One – 4<sup>th</sup> Street North

St. Petersburg, Florida 33701

Re: Proposal / Development of a New Municipal Service Center and Purchase of the Existing Municipal Service Center Site

Dear Mr. Fisch:

Pursuant to the City of St. Petersburg and Intown CRA's (collectively, the "City") published Notice of Intent to Sell City-Owned Real Estate (the "Notice") and Section 163.380, Florida Statutes, please accept this letter and the enclosed proposal (collectively, the "Proposal") from the Allen Morris Company (the "Proposer"). The Proposal will be valid for a period of one hundred eighty (180) calendar days after the date hereof (as such period may be extended by the Proposer in writing).

**Please note that, in accordance with Section 119.071(1), Florida Statutes, the Proposal is exempt from the public disclosure requirements of Section 119.07(1), Florida Statutes, and Article 1, Section 24(a), of the State Constitution until such time as the City provides notice of an intended decision or, if earlier, 30 days after the opening of proposals.**

As you will note, the Proposal is responsive to the Notice and contemplates the development of a new Municipal Service Center on the land the City owns on 2<sup>nd</sup> Avenue; and upon its completion, the purchase of the land under the Existing Municipal Service Center.

On page 5 of our Proposal, we have provided a rendering of what the new Municipal Service Center could look like. We believe that the use of traditional architecture complements the City Hall and reinforces St. Petersburg's early history of timeless Mediterranean design. This building features 300 parking spaces in the lower five stories, and 150,000 square feet of office space in the seven stories above the parking deck. This configuration is flexible and can accommodate a smaller or larger building if desired by the City.

On page 6, we provide a construction estimate of \$40,863,000, which is based on the conceptual plan. This building would be for the exclusive use of the City. We propose P3 financing as the least expensive method for the City to own the building from the onset. As the developer, we will serve the City as our client, assisting in every way to make sure the City receives the best product for its needs.

On page 8, we provide an outline on how we plan to purchase the land and develop a new building on the existing Municipal Service Center property. The mixed-use development we propose for that site will conform to the existing entitlements and the Intown CRA Redevelopment Plan, and will not exceed an FAR over 8.0. Furthermore, at the time of purchase, we agree to use third party appraisers to value the site based on that FAR and the improvements conveyed at the time of sale. This confirms that the City will receive a fair market price for its land.

On pages 10 and 11, we provide information about our company and its experienced development team. As you know, The Allen Morris Company developed the Hermitage Apartments a few years ago. We are very proud of that development and its contribution to St. Petersburg's downtown.

In closing, our Proposal offers the following:

1. Respect the City's desire to have proprietary and unencumbered use of its new Municipal Service Center
2. Ensure the City has cost-effective and exclusive ownership of the new Municipal Service Center
3. Avoid a Public Referendum by using P3 financing
4. Respect the City's current zoning codes for both developments, including a maximum 8.0 FAR for the Central Avenue Site, and the Intown CRA Redevelopment Plan
5. Provide a simple and straightforward process to accomplish the above goals

We look forward to your reply, and to working with the City to define the specifics for its new Municipal Service Center; as well as the future Allen Morris mixed-use development.

With Warm Regards,



Peter DiCorpo  
Chief Operating Officer

Cc: Mayor Rick Kriseman  
Alfred Wendler  
W. Allen Morris  
Dennis Suarez





CONFIDENTIAL AND PROPRIETARY



## PROPOSAL FOR THE CITY OF ST. PETERSBURG

THE DEVELOPMENT OF A NEW MUNICIPAL SERVICE CENTER ON 2<sup>ND</sup> AVE.  
AND THE PURCHASE OF THE EXISTING SITE ON CENTRAL AVE.

1/30/20



## EXECUTIVE SUMMARY

The Allen Morris Company (“AMCO”) is proposing the following offer to the City of St. Petersburg:

- (i) to enter into a public-private partnership (“P3”) with the City of St. Petersburg to develop and finance a new 150,000 SF Municipal Service Center (“MSC”) office building for the City of St. Petersburg (“City”) on the 2nd Ave. site;
- (ii) enter into a purchase contract to acquire the land at 1 N 4th St. upon completion of the new municipal office building and build a mixed-use project which will not exceed an 8.0X FAR. The Allen Morris Company will agree to a purchase contract to acquire this site based on the sites appraised value assuming this zoning.

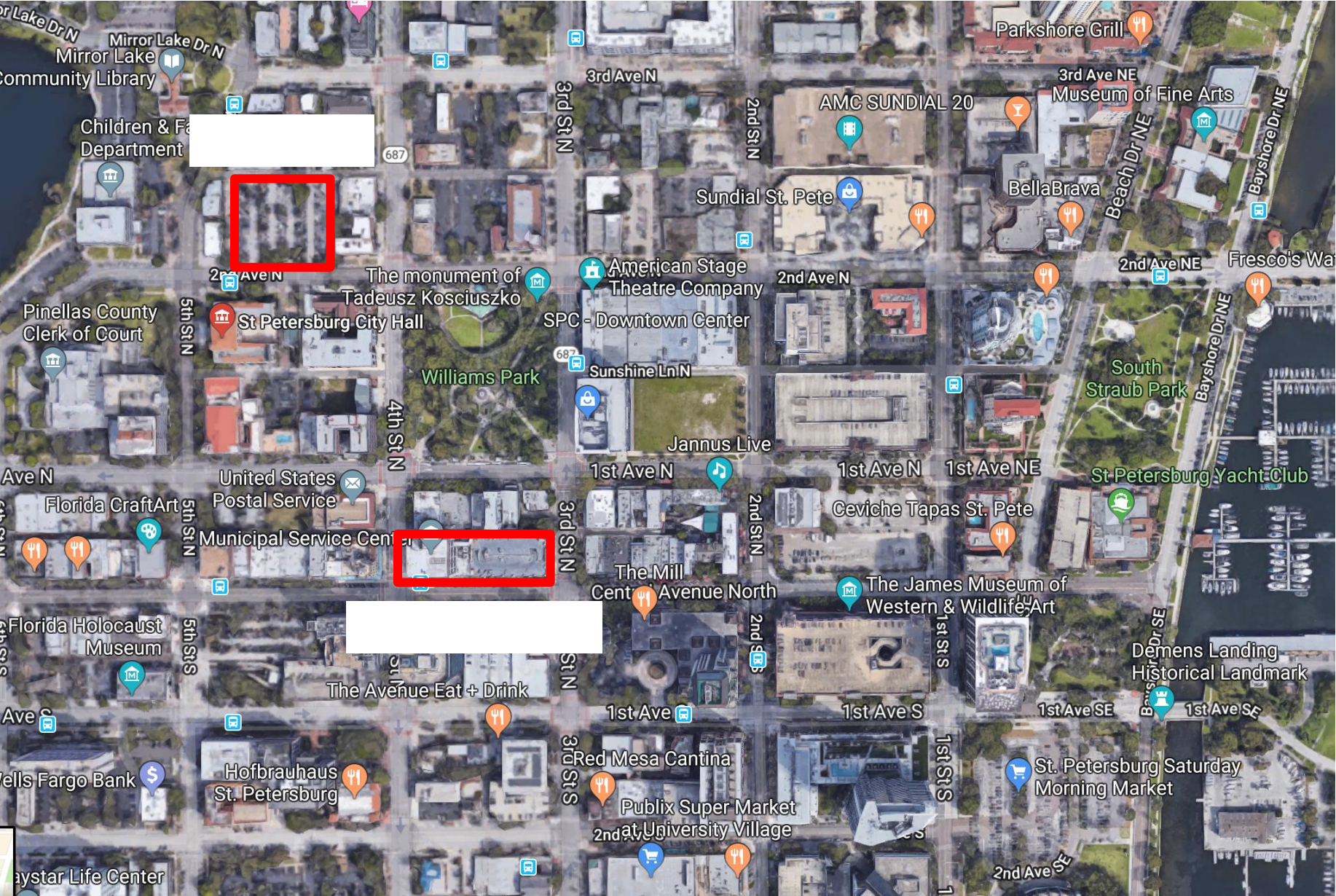
AMCO is working with the following firms:

- Zyscovich Architects to develop a conceptual site plan and building massing;
- Brasfield & Gorrie to estimate construction pricing; and
- Multiple financial advisors (Piper Jaffray and KeyBank) to determine the most effective financing solutions.

Based on those discussions – AMCO has developed a conceptual design program for the new MSC which can be tailored to the City’s needs as well as a recommended financing solution for the development.



# SITE OVERVIEW





## 2<sup>ND</sup> AVE. SITE - NEW MUNICIPAL SERVICE CENTER BUILDING



# CONCEPTUAL RENDERING - BUILDING FACING SOUTH TOWARD 2<sup>ND</sup> AVE. N

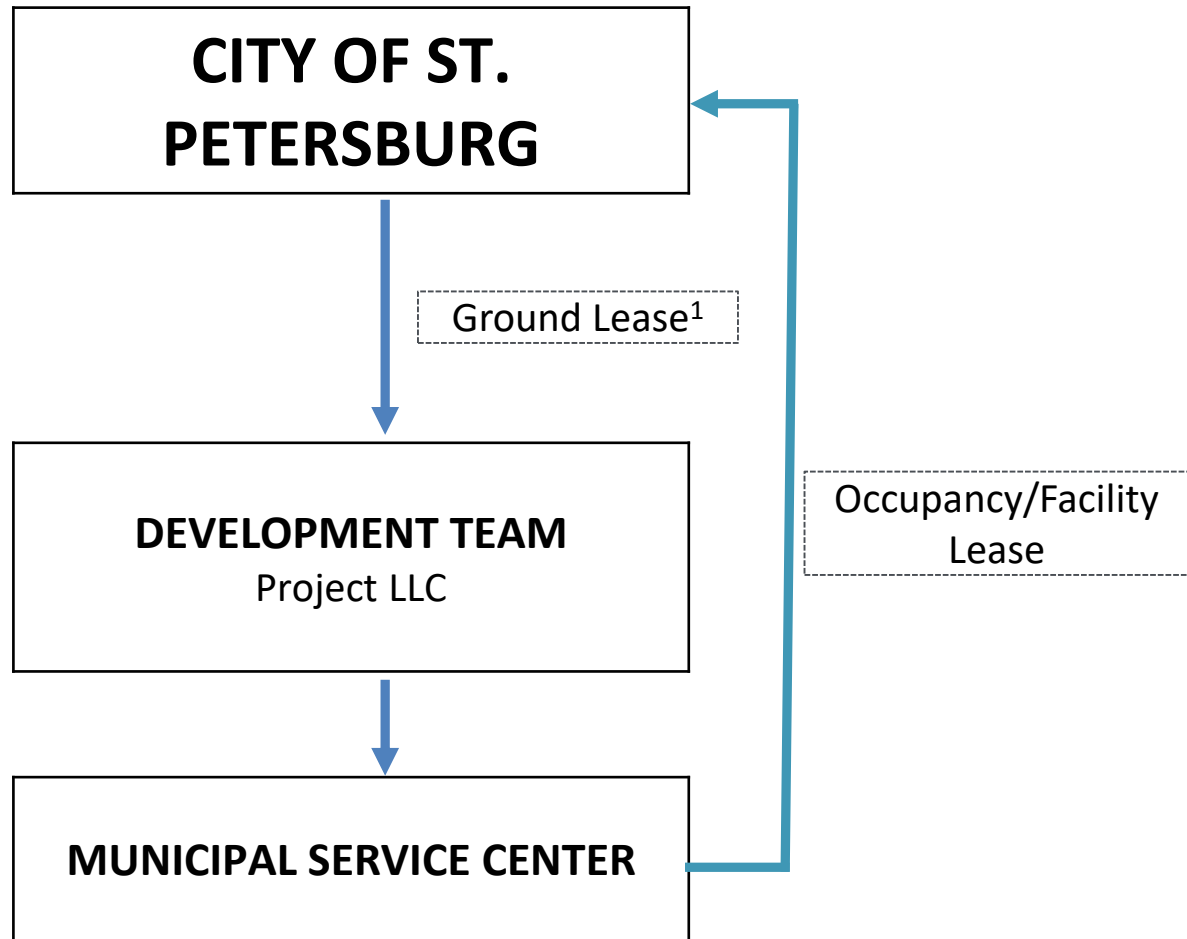


\*The current program demonstrates 150,000SF of office space, however, the program can be adjusted to the City’s needs and specific request

# P3 FINANCING STRUCTURE

## Lease Appropriation Bond Detail

- Project LLC is formed
- City signs ground lease<sup>1</sup> with Project LLC
- Project LLC signs P3 Agreement with AMCO to “Design-Build-Finance-Operate” building
- City of St. Petersburg enters into 30-year occupancy/facility lease for building subject to annual appropriations, after which time City will own the building free and clear
- Project LLC procures Lease Appropriation Bond Financing to fund cost of construction
- Based on current conceptual design and budget, annual lease payments estimated at roughly \$16/sf<sup>2</sup>



- 1) City of St. Pete will enter \$1 ground lease with Project Company for the duration of the occupancy/facility lease
- 2) Estimates based on 30 year bond financing at 2.50% interest and current costs. Estimate does not include building operating expenses



## PRELIMINARY BUDGET/TIMELINE - NEW MUNICIPAL SERVICE CENTER

Description	Unit (Area SF)	Cost/SF	Cost
<u>Land</u> <sup>1</sup>			\$ 1
<u>Construction</u>			
New 150,000 SF Office - Class B (Core & Shell Only)	150,000	\$ 175	\$ 26,250,000
Tenant and interior improvements	150,000	\$ 50	\$ 7,500,000
300 Car Parking Garage per space	300	\$ 16,000	\$ 4,800,000
Furnishings, Fixtures & Equipment		6%	\$ 2,313,000
Subtotal Construction			\$ 40,863,000
<u>Design/Soft Cost</u>			
A/E Services -		6%	\$ 2,452,000
Project Administration/Personnel			\$ 500,000
Other Consulting, Survey, Geotechnical			\$ 300,000
Construction Inspection and Testing			\$ 400,000
Public Art			\$ 400,000
Permit, Utilities			\$ 250,000
Low Voltage, Technology			\$ 700,000
Contingency		10%	\$ 500,000
Subtotal Soft Cost			\$ 5,502,000
Project Management Fee		TBD	\$ 0
Construction Management Fee		1%	\$ 464,000
<u>Estimated project timeline:</u>			
Project Design	9 Months		
Project Construction	18 Months		
Total Time to Delivery	27 Months		

1) City will enter ground lease with Project company for the duration of occupancy/facility lease



CENTRAL AVE. SITE



## PROPOSAL FOR CENTRAL AVE. SITE

- Once AMCO has successfully delivered the new Municipal Service Center on 2<sup>nd</sup> Ave., AMCO will agree to purchase the current MSC site on Central Ave. at the appraised value.
- AMCO will agree not to develop any building exceeding an 8.0 FAR, which would otherwise require a public hearing.
- AMCO will agree to allocate a certain percentage (no more than 10%) of the units towards workforce housing.
- Proposed Development Program:
  - ~280,000 total Square Feet
  - Will have some combination of ground floor retail, office, residential and/or hotel



## APPENDIX



## WHO WE ARE

The Allen Morris Company founded in 1958, is a sixty one year-old, family-run, development company with a history of building to-own that lends itself to projects with a higher level of care and finish. The company has more than 82 successful development projects credited to its name.

The Company is currently focused on selectively developing best-in-class residential, office, hospitality and mixed-use projects in unique locations with unparalleled amenities and carefully curated retail experiences. The Mission of The Allen Morris Company is to “Inspire, Impress, and Improve,” and that creed is visible in every detail of the business.

Over its 60 year history, The Allen Morris Company has never defaulted on a single financial obligation, has never delayed the remittance of an interest payment or been involved with a single project that has caused its investors to lose their investment. It’s a record which the Company protects vigorously.



# TEAM



Dedicated AMCO Team to Support St. Petersburg  
Municipal Building

## AMCO Senior Leadership Team



W. ALLEN MORRIS  
Chairman & CEO



PETER DICORPO  
Chief Operating Officer



W. A. SPENCER MORRIS  
Executive Vice President

## AMCO Dedicated St. Pete Project Development Team



DENNIS SUAREZ  
Managing Director of Development



DEREK CARDENAS  
Development Associate



SCOTT FLATLEY  
Director of Design and Construction



[www.allenmorris.com](http://www.allenmorris.com)

**For any additional information or  
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