



September 14, 2021

To: Alan DeLisle
City Development Administrator
175 5th St. N.
St. Petersburg, Fl. 33701

RE: Intent to Dispose of City Owned Real Estate
The property located at 800 1st Ave. S.

Parcel ID - 19-31-17-95365-001-0010 (which
includes the vacated ROW)

Benefits of the Project

St. Petersburg is a beautiful city and continues to evolve and grow. This growth of the city is due in large part to the long-term planning and hard work of City staff and leaders. Residents of St. Petersburg are fortunate to call home to an area where tourists come from all over the world to enjoy. Boasting amenities such as being minutes from the best beaches in the world, an excellent arts community, a walkable vibrant downtown, professional sports franchises, an incredible parks system, and the list goes on. We believe there are few issues that can derail this positive momentum of the City. The looming affordable housing crisis is one of those issues that could negatively impact the community. There is a lack of available land in St. Petersburg and strong demand for housing. The City should look to maximize opportunities to create more housing whenever possible. The subject site is a prime example of a potential strategic move to help create housing supply. We are pricing our offer based on the ability to create a dense residential project that will deliver much needed housing to the downtown market. Creating more supply is vital to balancing the economic equation driving the housing crisis. Providing affordable options while creating that supply is extremely challenging in our current economic conditions. This dynamic was discussed in St. Petersburg's Intown Redevelopment Plan (IRP).

The Intown Redevelopment Plan adopted in 1982 is exactly the type of proactive long-term planning that has allowed St. Petersburg to thrive. The Intown Redevelopment Plan is a comprehensive 141-page document that covers a large variety of topics. In our review of the plan, we thought page 48 was relevant to our project and the disposition of this property.



Benefits of the Project (cont)

Page 48 is in the Neighborhood Section of the IRP and, discusses Residential Development. Below is language directly from this section.

"The housing demand generated by upper income consumers is, for the most part, accommodated by the private sector, using conventional financing with little or no assistance. Similarly, the shelter needs of lower income households are equally well provided for through a number of assistance programs. There are already over 1,560 federally assisted rental units for elderly households in place throughout the Intown sector, with another 314 under construction or planned, in relatively new, high- and low-rise apartment structures. For small and large families, 82 new public townhouse units have just been completed in the Jamestown area, and sufficient land has been set aside for up to 213 similar assisted units in the Gas Plant area. In addition, over 100 elderly and family households have been able to rent Improved units in the Intown area through federal Section 8 rent supplement programs. These programs help lower income households compete for shelter on the open market, while at the same time, through guaranteed fair market rents, assist Section 8 landlords in securing conventional improvement financing, thereby representing an important existing housing stock retention incentive. Between these two extremes, the affluent and urban poor, is a vast potential market of moderate-income households who are finding it increasingly difficult to compete for suitable, affordable housing on conventional terms, and yet are ineligible for housing assistance. Any comprehensive housing production/retention strategy must deal with the needs of this group as well through measures to increase the affordability of both new and existing dwelling units of all types, sizes and tenure options."

We propose to develop a mixed-use project activated by ground floor retail. We would like to propose two options for the City Council and Community Redevelopment Agency (CRA) to consider.

First Option

The project's residential component would be entirely market rate. This would add to the current housing stock in the downtown area, which will help to alleviate the lack of supply of housing. The amount of ground floor retail will be designed according to code. The project will include structured parking to accommodate the parking needs of the project.

Under this scenario, we are prepared to offer a Purchase Price of \$8,500,000 for the subject site.



Second Option

The development components are the same as in the First Option, however we will guarantee a minimum of 100 affordable housing units. These units will make this residential component a true mixed income project. These units will service the struggling moderate-income households searching for affordable housing in Downtown. The Workforce housing units will be allocated as 50% of the units will be up to 80% of AMI and 50% of the units will be up to 120% of AMI.

Under this scenario we are prepared to offer a Purchase Price of \$6,500,000

Terms and Conditions (apply to both Scenarios)

Earnest Money: A first Deposit of \$150,000 (“Earnest Money Deposit”) shall be deposited into a bank account of Buyer’s counsel within three business days of the effective date of the Purchase Agreement (“Effective Date”). An additional deposit of \$350,000 (“Second Deposit”; collectively with the Earnest Money Deposit, the “Deposit”) shall be deposited into the same account within three business days after the Inspection Period (hereinafter defined), has been fulfilled. The Deposit will be credited against the Purchase Price at Closing (hereinafter defined), shall serve as liquidated damages in the event the Buyer fails to close as per the Purchase Agreement and shall be non-refundable except in the case of a Seller’s default.

Inspection Period: The Buyer shall have a ninety (90) day “Inspection Period” following the Effective Date of the Purchase Agreement to perform Buyer’s Due Diligence. During the Inspection Period, the Buyer and its duly appointed representatives shall be permitted to perform all examinations of the Property as deemed reasonably necessary by Buyer. Seller shall make available to Buyer copies of all files related to the Property and shall disclose all relevant information known to Seller. Buyer will have the right to terminate the Purchase Agreement during the Inspection Period for any reason or no reason, in which case the full Deposit shall be refunded to the Buyer and neither party shall have any further legal obligation or liability thereunder.

Design Period: The Buyer shall have a ninety (90) day “Design Period” following the Inspection Period. The Buyer will work with its consultants and City Staff on an acceptable Development Plan. The Buyer will have the right to terminate the Purchase Agreement if an acceptable Project design is unable to be achieved. If the Buyer does not terminate the Purchase Agreement the Deposit will become non-refundable but applicable to the Purchase Price.



Closing: The Purchase Agreement shall provide that Closing will be held within sixty (60) days of the end of the Design Period. The Closing shall occur in person at the offices of Buyer's counsel or by wire transfer. At Closing, Seller shall convey free and marketable title to the Property to Buyer free and clear of all encumbrances.

Extension Deposits: The Buyer will have the right to extend the Closing three times. Each extension will be for a period of thirty (30) days and the Buyer will add an additional \$25,000 to the Deposit. These monies will be considered non-refundable but applicable to the Purchase Price.

Parking Lease on Parcel 4: Our offer is not contingent upon developing the entire 4.59 acres. We will work in good faith with UPC Insurance (adjacent owner) and their parking needs during the development. We are prepared to move forward regardless of UPC's involvement or lack thereof in this development.

This LOI is not intended to constitute a contract for the purchase of the Property nor to otherwise create any legal obligation to purchase the Property but is intended only to summarize the general terms and conditions under which Buyer and Seller agree to negotiate in good faith a satisfactory Purchase Agreement. The parties agree that the Purchase Agreement shall contain additional terms and conditions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Les Porter', written over a light blue rectangular background.

Les Porter

President

Porter Development