



CONFIDENTIAL AND PROPRIETARY



## RESPONSE TO CITY OF ST.PETERSBURG FOR THE NEW MSC BUILDING & PURCHASE OF THE EXISTING MSC PROPERTY

4/22/20





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

# EXECUTIVE SUMMARY

## New Municipal Service Center Building

The Allen Morris Company is proposing the following to the City of St. Petersburg:

- I. Lease Rate:
  - i. The City contributes their land to significantly reduce the lease (and ultimately the purchase price). Using this method, we can offer a lease rate of \$27NNN (annual rate of \$3,240,000). We will guarantee this rate as soon as we confirm the final building design and execute a lease agreement with the City.
- II. Purchase Price:
  - i. The City would have an option to purchase the building based on a 6.25% cap rate at any time during the initial 5-year period.
- III. “ISAP” Standards:
  - i. The Allen Morris Company will agree to work with the City to incorporate the integrated sustainability action plan (“ISAP”) into the new MSC building so it conforms to the City’s standards.
- IV. Building Program
  - i. The building will be comprised of 120,000 SF of Office that sits on top of a 300-space structured parking garage. The garage will be designed so that it can be converted into office space, which will provide the City the option and flexibility to expand in the future.



## NEW MUNICIPAL SERVICE CENTER RENDERING

**Conceptual Rendering – Building Facing South Toward 2<sup>nd</sup> Ave. N**



# NEW MUNICIPAL SERVICE CENTER

## Preliminary Development Budget

	Cost (\$)	Cost (\$/SF)
<b>Land</b>	N/A	N/A
<b>Construction/Hard Costs</b>		
New 120,000 SF Office - Class B (Core & Shell Only)	\$19,200,000	\$160.00
Tenant and interior improvements	\$6,000,000	\$50.00
Structured Parking Garage (300 Spaces)	\$7,500,000	\$62.50
Furnishings, Fixtures & Equipment (Lobby and Public Spaces)	\$350,000	\$2.92
Hard Cost Contingency	\$1,653,000	\$13.78
<b>Subtotal Construction/Hard Costs</b>	<b>\$34,703,000</b>	<b>\$289.19</b>
<b>Design/Soft Costs</b>		
A/E Services	\$1,400,000	\$11.67
Project Administration	\$240,000	\$2.00
Other Consulting, Survey, Geotechnical	\$360,000	\$3.00
Construction Inspection and Testing	\$180,000	\$1.50
Public Art	\$100,000	\$0.83
Permit, Utilities	\$240,000	\$2.00
Real Estate Taxes	\$120,000	\$1.00
Leasing Fees	\$250,000	\$2.08
Interest Reserve	\$831,894	\$6.93
Financing Fees/Closing Costs/Legal	\$616,872	\$5.14
Development Fee	\$1,437,090	\$11.98
Construction Management Fee	\$330,600	\$2.76
Soft Cost Contingency	\$305,323	\$2.54
<b>Subtotal Design / Soft Costs</b>	<b>\$6,411,779</b>	<b>\$53.43</b>
<b>Total Cost</b>	<b>\$41,114,779</b>	<b>\$342.62</b>

- We will guarantee the cost once we have an approved set of construction documents from the City that will allow us to get a building permit.



CENTRAL AVE. SITE (EXISTING MSC  
BUILDING)

# EXECUTIVE SUMMARY

## Existing MSC Building

The Allen Morris Company is proposing the following for the existing MSC site:

I. Timing:

- i. The Allen Morris Company will purchase the land at 1 N 4th St. upon completion and occupancy of the new MSC building.

II. Offer Price:

- i. The Allen Morris Company will agree to acquire this site for \$8 million based on an 8.0 FAR for the project. However, if the City is comfortable with an upzoning to a 12.5 FAR (requiring a public hearing), we would increase the purchase price to \$12 million. We will guarantee this price in a Purchase and Sale Agreement.

III. Credit value towards new MSC site:

- i. We propose that the proceeds that St. Petersburg receives for the existing MSC site can be used to reduce the purchase price of the new MSC building on 2<sup>nd</sup> Ave. It can also be used or credited towards lease payments of the new MSC building.

IV. Project Timeline:

- i. Concurrent with the execution of the agreement to build the new MSC building, The Allen Morris Company will sign a Purchase and Sale Agreement for the existing MSC Building.
- ii. At the time the City occupies the new MSC building, The Allen Morris Company will purchase the existing MSC site, and will proceed with the approval for the design and construction of a new building on the site. We expect the construction will take about 22 months. The total project timeline after purchase of the site to completion is not expected to exceed 3 years.

# EXISTING MSC SITE

## Project Description

### I. Building Program:

- i. A mixed-use building that includes retail, office space and residential units – based on an 8.0 FAR.
- ii. The ground floor will consist of 13,000 SF of retail space facing Central Avenue under a spacious covered arcade, lined with tall storefront glass.
- iii. On the floors above the parking deck we propose to build 41,000 SF of office space with an outdoor terrace.
- iv. The residential portion will include 210,000 SF and will include a mix of work force and market rate housing. The building will include numerous indoor amenities and a swimming pool deck.
- v. 10% of the total residential unit count to be workforce housing at 120% AMI.



## NEW MIXED USE BUILDING- CONCEPTUAL RENDERING FACING CENTRAL AVE



## NEW MIXED USE BUILDING- CONCEPTUAL RENDERING FACING CENTRAL AVE



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