



VIA EMAIL

Tuesday, August 07, 2007

Mr. Anthony Lyons, Director and  
Members of the Community Redevelopment Agency  
City of Gainesville, Florida  
300 E. University Ave,  
Mail Station 48, PO Box 490  
Gainesville, FL 32602

Ladies and Gentlemen:

The Gainesville Greens development project has moved ahead significantly during the last six months, but not without impediment. Thank you for the recent extension of time on both the Option and Development Agreements; we will need it as the current condition of the housing market has invariably slowed sales and sales-related traffic. As you are aware, residential activity in Gainesville is sluggish; even so, we remain confident in Gainesville Greens and look forward to seeing the project through to a successful completion. While we work to achieve the required level of presales, we are assiduously following up on outstanding development and planning issues.

Amongst the issues that we have been addressing since the last update include a) resolution to foundation and environmental concerns, b) seeking of final site plan submittals and c) submittals for building permit drawings.

We recently discovered that our foundation system has to change from the originally contemplated pad system to a more-costly piling system. Several reports have been submitted to planning staff for their consideration on this issue. We are currently working with the CRA, the Planning Division and Gus Olmos at Alachua County's Environmental Protection Department to obtain approval for an alternate, structurally and environmentally-sound system. At this time, we are preparing additionally requested reports and information for review and analysis. We plan to bring the ACEPD recommendations back before the full DRB for discussion to garner ultimate approval.

Our site plan is complicated and is in a densely improved part of downtown. We have worked with GRU to plan our utility connections in accordance with GRU's policies to avoid conflict with existing infrastructure. Even though we performed "soft dig" explorations to verify existing conditions, during recent construction work, we still discovered many unlisted utilities. City Staff requested (and we complied with such request) that we perform certain underground work along SW 2<sup>nd</sup> Avenue prior to its recent re-paving. This advance work helped us avoid the necessity of open cuts in this new road at a later date. We are looking forward to the completion of construction activities along SW 2<sup>nd</sup> Avenue inasmuch its closure has forced the re-routing of traffic away from our sales center.



The most significant remaining site plan item is for ACEPED to make a determination on foundation system of our current site plan. We anticipate approval of the plan in the next cycle and hope to submit for the building permit review process over the next few weeks.

The last issue that remains open is the impact of the changes (and proposed constitutional changes) to Florida Real Estate property tax laws to the project. As of this writing, the City had not published any proposed millage rates for the upcoming tax year. As such, recent legislative changes to tax codes have not been reviewed nor have the ramifications from the proposed Super Homestead constitutional amendment on the project. We intend to perform this review in the upcoming month.

To date we have expended more than \$2.2 million dollars in the design and approval process for the project including monies paid to HIPP Construction to install the utilities under SW 2nd Avenue. We remain committed to this exciting project and appreciate the City's continued patience and support. Over the course of the next year, we expect that our efforts will cause the project achieve the required number of unit pre-sales to obtain the project's construction loan and begin construction.

Best regards,

A handwritten signature in black ink that reads "Bernard Danzansky". The signature is written in a cursive, flowing style.

Bernard Danzansky  
President