

PMG Associates, Inc.

Economic, Marketing and Management Consultants

Deerfield Beach, FL

Miami, FL

Hendersonville, NC

April 3, 2006

Karen Slevin, Director
Gainesville CRA
300 E. University Avenue, Suite 240
Gainesville, FL 32601

RE: MIXED USE FOR LOCATION OF JEFFERSON ON SECOND

Dear Ms. Slevin,

As per your request, PMG Associates, Inc. has reviewed the location and conditions in the area around the Jefferson on Second project to ascertain whether a traditional mixed use development of residential with ground floor retail/office would be appropriate for this site.

It is PMG Associates, Inc. opinion that this site WOULD NOT be appropriate for this type of mixed use. Success of any retail/small office use often depends on visibility and the amount of walk-in customers created by high traffic volumes (either pedestrian or vehicular) at a particular site. The subject site is located off the major roadways which would significantly impair the ability of retail/office users to attract customers.

In addition to the poor visibility and traffic volumes, it would be in the best interest of all to keep the retail and office users on the major roadways. The more opportunities that exist in a single location, the more likely shoppers are to visit the area. Keeping all opportunities on University Avenue would bring assist in attracting more shoppers to the area thus providing more business opportunities for retailers.

PMG Associates also reviewed the possibility for live-work space (space in which the renter/owner could live and operate a small business). While this use has some possibilities, the location of the site and the fact that only ground floor spaces are appropriate for live-work units would restrict the live-work viability as well.

Please feel free to contact me should you have any other informational needs regarding this matter.

Thank you,

Jeffrey L. Oris, CEcD
Director of Government Operations
and Development Services

04-12-06 09:43 RCVD



April 10, 2006

Mr. Tom Saunders
City of Gainesville – Community Development
Thomas Center – Building B
306 NE 6th Avenue, # 230
Gainesville, Florida 32601

RE: Jefferson 2nd Avenue – Update Request
JPI Development Services is proposing the development of a multi-family community to be located at approximately SW 2nd Ave; SW 6th Street; SW 4th Ave; SW 5th Street.

Mr. Saunders:

Per our meeting March 29, 2006 you requested an update on our progress following the CRA Hearing held March 20, 2006.

Included you will find the below items:

- Site Aerial – Existing
- Elevation - March 20th CRA Hearing
- Elevation - Revised
- Proposed Development Description
- Current Environmental Summary

I hope the information being provided is an appropriate summary of what you're looking for. Please do not hesitate to contact me should you need additional detail.

Sincerely,

A handwritten signature in blue ink that reads 'Ben H. Montgomery'. The signature is written in a cursive style and includes a checkmark at the end.

Ben H. Montgomery
JPI Development Services
Vice President – Area Development Partner

Jefferson 2nd Avenue

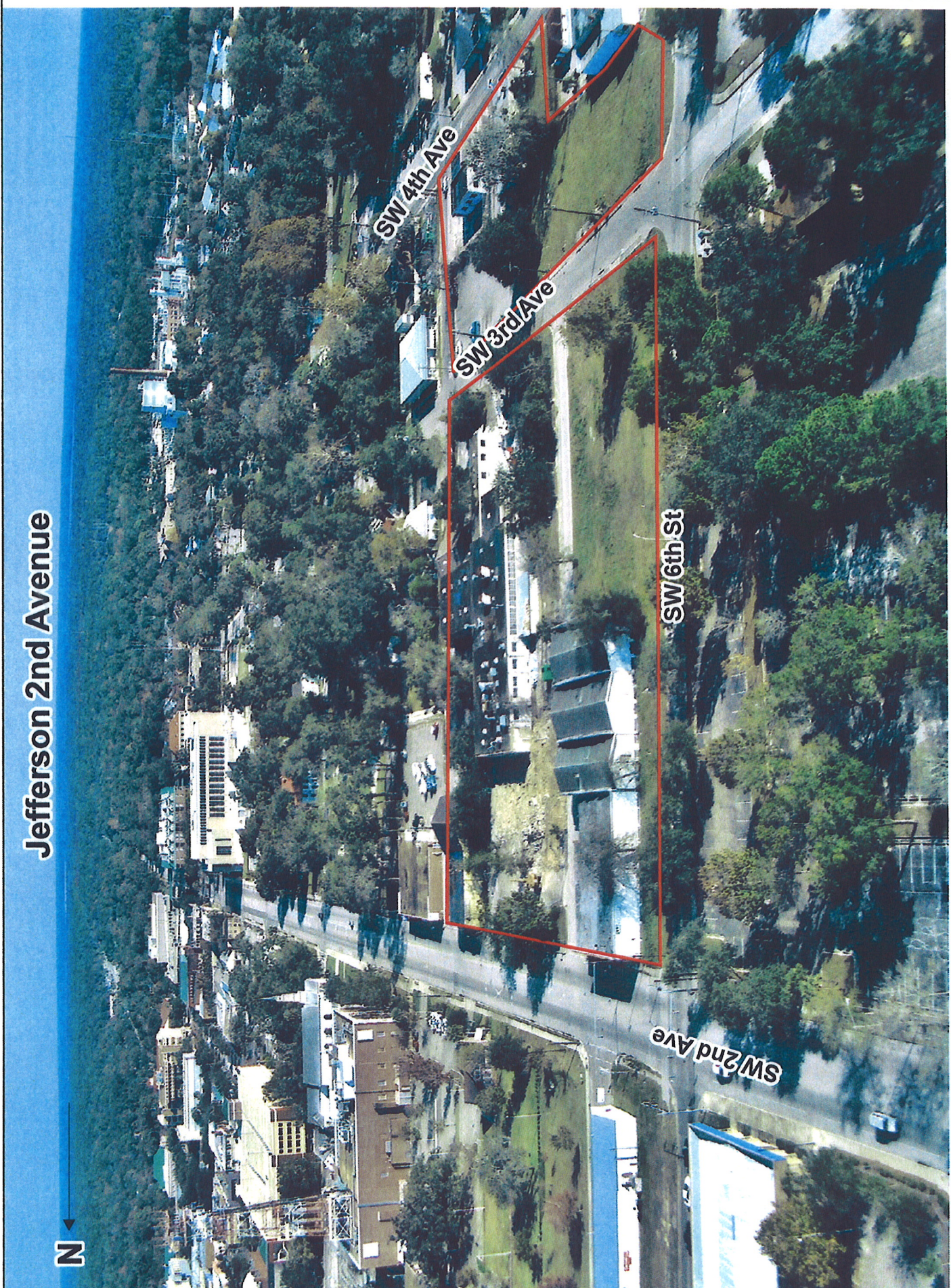
N

SW 4th Ave

SW 3rd Ave

SW 6th St

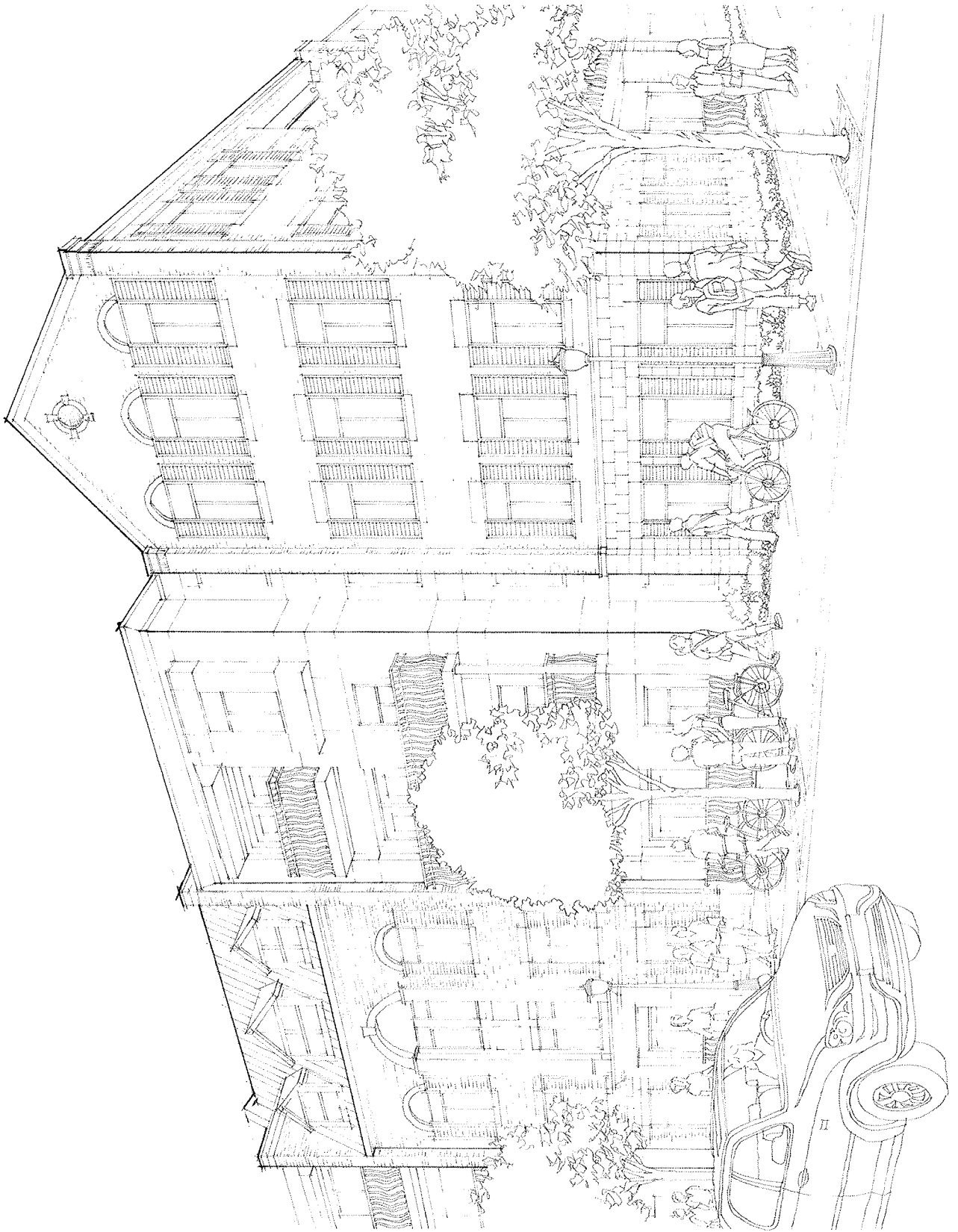
SW 2nd Ave











**JEFFERSON 2nd AVENUE
Proposed Development**

Units:	281
Beds:	892
NRSF:	300,012
Mix:	1 bed - 1 bath 2 bed - 2 bath 4 bed - 4 bath
Construction:	4-Story Wood Frame Brick Exterior Cast Stone Exterior Stucco Exterior Metal Siding Exterior Metal Railing Fabric Awnings Metal Posts Wood Shutters Metal Roofing Scored Concrete Sidewalks w/ Brick Inlay Compatible Period Lighting Trees - Possibly in tree grates
Parking:	6-Story Stand Alone Parking Structure Approximately 818 spaces

JEFFERSON 2nd AVENUE
Proposed Development

Interior Unit Amenities

- * Double compartment sink
- Full size range
- * Separate utility room
- * Full size washer/dryer
- * Multi-cycle dishwasher
- Ceramic tile tub surrounds
- Designer counter tops
- Designer kitchen cabinets
- White on white appliances
- Mini blinds on all windows
- Microwaves
- 16 CF, frost free refrigerators with ice maker
- 9' ceilings in all units
- Raised panel interior doors
- * Coat closets
- * Kitchen bar/counter
- * Fully furnished units:
 - Living Rooms: sofa, lounge chair, cocktail table, coffee table, entertainment armoire
 - Bedrooms: full size extra long bed, chest of drawers, study desk, desk chair
- Full core deadbolts at all exterior doors
- Smoke detectors
- Track lighting
- MDF shelving @ pantrys; wire shelving @ closets
- Ceiling fans in all living rooms and bedrooms
- Multiple phone lines available at each bedroom
- Insulated windows
- Intrusion alarms
 - (monitoring available at tenants expense)
- Fire sprinkler system
- Cable TV in all Living Rooms and Bedrooms
- Mirrored medicine cabinets
- * VCT flooring at Entry, Kitchen, Utility Room, and Bathroom
- * Shaw 'Bay View' carpet
- High speed internet connection all bedrooms

* *Indicates amenity in selected units*

NOTE: Above amenities are subject to change and upgrade

Interior Club Amenities

- Business Center
 - Computer Stations
 - Printer
- Fitness Room
 - Cardio Equipment
 - Free Weight Equipment
 - Stretch Station
- Tanning Room
- Great Room
 - Pool Table
 - TV's
- Conference / Study Room

Exterior Amenities

General Areas:

- 6-story structured parking garage
 - +/- 800 parking spaces
- Sand volleyball court

Pool Area:

- Gated and landscaped pool
- Cool Deck' pool deck surface
- Spa

April 10, 2006

Mr. Ben Montgomery
JPI Student Living
600 East Colinas Boulevard, Suite 1800
Irving, Texas 75039

RE: Cone and Trimark Parcels Environmental Summary
SW 2nd, 3rd and 4th Avenue,
SW 5th Terrace, and SW 5th and 6th Street
Gainesville, Florida
VERTEX Project No. 7604

Mr. Montgomery:

Vertex Environmental Services, Inc. (VERTEX) and Jones Edmunds & Associates, Inc. (JEA) of Gainesville, Florida have recently completed Phase I and Phase II Limited Subsurface Investigations at the "Cone Properties" and "Trimark Property" located in Gainesville, Florida. The findings of VERTEX's and JEA's investigations are detailed in a report entitled "Site Assessment of the Cone Properties: Former Holloway Property, Former Cone Laundry, Former Santa Fe Health Care, Former Medical Examiner Office, Former M&M Upholstery and Soil Excavation Report of the Former Cone Laundry", prepared by JEA on November 11, 2005 and a second report entitled "Site Assessment of the Cone Properties" dated February 24, 2006 and previously submitted to the Alachua County Environmental Protection Department (ACEPD). The following is a summary of the areas of environmental concern identified and the proposed actions to address each area.

- **AOC-1: Chlorinated VOCs and Former Boiler Rooms on Cone Property (Parcel C) & AOC-3: VOCs in Groundwater on Holloway Property (Parcel A)**

AOC-1 and AOC-3 are located on the northwestern portion of the site and are related to the release of petroleum attributed to the former boiler rooms at the former Cone Laundry property. Impacted soil and groundwater were documented above cleanup levels. The likely source of the release (ASTs) has been removed. Impacted soils were excavated from this area recently; however, impacted groundwater remains in this area. In a letter dated March 31, 2006, the ACEPD requested additional groundwater data be collected to determine if post-excavation groundwater concentrations are below Groundwater Cleanup Target Levels (GCTLs). A minimum of 4 quarters of monitoring is required with the last two quarters below GCTLs in order to request a No Further Action (NFA). Currently, groundwater concentrations are not below GCTLs. As such, excavation of up to 1,700 cubic yards of saturated impacted soils may be performed to accelerate the reduction of groundwater concentrations.

- **AOC-2: Former Gasoline UST on Cone Property (Parcel C)**

AOC-2 is located on the western portion of the site, south of AOC-1, and is related to the release of petroleum attributed to a 3,000-gallon gasoline UST that was present at the site from 1972 until it was removed in 1990. Impacts to soil and groundwater were historically documented after the removal of the UST. The ACEPD states in a letter dated March 31, 2006 that no cleanup is required at this time. As such, it appears that NFA can be requested for this area. If granted, no further action would be required. If an NFA is not granted, excavation of up to 135 cubic yards of impacted soils and/or subsequent groundwater monitoring may be required to achieve NFA status.

- **AOC-4: VOCs in Groundwater Near Former Medical Examiner (Parcel C) & Trimark Parcel**

AOC-4 is located on the northeastern portion of the site where petroleum-related compounds have been identified in groundwater above cleanup levels. These impacts appear to be attributed to an up-gradient off-site source. The ACEPD states in a letter dated March 31, 2006 that this area of the site does not appear to have an on-site source of petroleum contamination associated with it and that they would review any information that identifies a potential up gradient source. Information regarding an up gradient source has been compiled and will be forwarded to the ACEPD the week of April 10th for their review and comment. If the ACEPD agrees that the impacts are from off site, then a NFA will be requested for this area. If the ACEPD disagrees, remediation and/or groundwater monitoring may be required.

- **AOC-5: Gasoline UST Release at Former M&M Upholstery (Parcel F)**

AOC-5 is located on the southeastern portion of the site and is related to a release of gasoline from the pump island at the former gasoline filling station. A significant decrease in soil and groundwater contamination through natural attenuation has been observed in this area since 1995. In a letter dated March 31, 2006, the ACEPD stated that no further remediation is required in this area at this time; however, a NFA cannot be issued until the last two quarters of groundwater sampling are below GCTLs. Excavation of up to 250 cubic yards of impacted soils may be performed to accelerate the reduction of groundwater concentrations.

Please do not hesitate to contact us at your convenience, should you have any questions or comments regarding this report or our recommendations. It has been a pleasure working with you on this project.

Sincerely,

Vertex Environmental Services, Inc.

Gerard R. Goguen, LSP
Senior Project Manager

Jaron J. Frieden
Vice President

LOCKE LIDDELL & SAPP LLP
ATTORNEYS & COUNSELORS

Interoffice Memorandum

TO: Elizabeth Mack
FROM: Richard Franchek
DATE: April 10, 2006
RE: JPI: Cone Properties

JPI is considering the purchase of several tracts in Gainesville, Florida (the "Properties"). The current owner of the Properties received a letter from the Alachua County Environmental Protection Department ("Department") regarding the petroleum contamination present at the tracts. The Department administers the state petroleum storage tank program with oversight by the Florida Department of Environmental Protection ("FDEP"). The letter from the Department was in response to the submittal of a site assessment. Currently, groundwater contamination levels at the Properties are at or below Natural Attenuation Default Concentrations, but are still above the groundwater concentration target levels ("GCTLs"). The Department concludes in the letter that no cleanup activities are required at this time, but in order to receive a No Further Action ("NFA") letter it will be necessary to provide several quarters of groundwater monitoring. The last two quarters of the groundwater monitoring must show that contaminants in the groundwater are below the GCTLs. JPI has asked the question of whether it can forego seeking a NFA letter because there is no need for any remediation at this time.

Based upon the rules of the FDEP and my conversation with Rebecca Crowder of the Department, a site that has been contaminated with petroleum will not be closed until a request for a No Further Action determination is made and granted by the oversight agency. Furthermore, at least in the view of the Department, the current property owner would be liable for any contamination.

Generally speaking, a responsible party is required to prepare a site assessment for the property. See FLA. ADMIN. CODE §62-770.600. For releases of petroleum or petroleum products, a responsible party can be the owner of the facility. FLA. STAT. §376.308(1)(c). One of the purposes of the site assessment is to make a recommendation to the oversight agency on what course of action should be taken at the property. Such a course of action could be (i) submit a No Further Action Proposal, (ii) submit a Natural Attenuation Monitoring Plan, (iii) recommend that a risk assessment be performed to justify alternative CTLs, or (iv) recommend that a remedial action plan be prepared. FLA. ADMIN. CODE §62-770.600(8)(b). Based upon the letter from the Department, the Properties do not qualify for a no further action determination at this time and the Department suggests conducting groundwater monitoring. Under the rules of the FDEP, a no further action determination without engineering or institutional controls can be made when groundwater contaminant levels are below the applicable GCTLs. *Id.* §62-770.680(1)(d). When the requirements for a no further action determination have been met, the oversight agency will issue a "Site Rehabilitation Completion Order". The issuance of such an

order constitutes final agency action regarding cleanup activities at the site. *Id.* §62-770.680(9).

In my conversation with Ms. Crowder, she was of the opinion that even though the Properties do not require active remediation they are still “open” sites and liability is present to the current property owner to complete the cleanup and obtain a Site Rehabilitation Completion Order. Thus, not continuing the necessary monitoring could result in an order from the Department to obtain a Site Rehabilitation Completion Order. However, based upon information available on the FDEP website, two of the tracts are eligible for reimbursement from the state. These sites include the Fred Cone Family Trust (FDEP No. 018500258) and the M&M Upholstery (FDEP No. 019047168) tracts. With respect to the reimbursement eligible sites, Ms. Crowder stated that the Department would not issue an order to complete a cleanup for these tracts until funds are available from the state to carry out any necessary actions. Ms. Crowder explained that currently a site with a score of less than 30 is not an active site with reimbursement funding available. The FDEP website indicates that the Fred Cone Family Trust has a score of 26. No scoring information was available for the M&M Upholstery tract.

With regard to the remaining tracts, Florida law does provide a defense to a landowner with a property contaminated by petroleum products. One of the requirements of this defense is prior to obtaining title, the property was contaminated by a previous owner or operator and the current property owner “did not know of the polluting condition at the time the owner acquired title.” *Id.* §376.308(1)(c). This defense is not available for JPI because the contamination at the Properties is already known.

In summary, if a property owner does not complete the corrective action for the Properties and obtain a Site Rehabilitation Completion Order, the Department could issue an order for the owner to undertake the necessary activities. However, the Department would refrain from issuing an order for those tracts that are subject to reimbursement and have a low priority score. It is likely that both the Fred Cone Family Trust and M&M Upholstery sites are low priority sites and no remediation would be required for these tracts until funding is available. However, to obtain an NFA, two quarters of groundwater monitoring showing contaminants below the GCTLs would have to be achieved. Excavation of impacted soil may be required to accelerate the reduction of groundwater contaminant concentrations.