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ATTORNEY AT LAW

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April 21, 2006

BY FACSIMILE & HAND DELIVERY
(352) 334-2036

Rick Bryant, Chairman
Community Redevelopment Agency
City of Gainesville
P.O. Box 490, Station 19
Gainesville, FL 32601-0490

Re: *Jefferson 2nd Ave*

Dear Chairman Bryant:

Since the CRA meeting Monday of this week JPI has been working to determine if the proposed development of *Jefferson 2nd Avenue* can be modified in a way that is financially feasible to accomplish the objectives of the Agency. As indicated at the meeting, JPI has to determine a development plan by May 5th. Their plan will either be to redevelop the properties with the 80% increment or, if feasible, develop a significantly scaled down community without the increment. Both JPI and the CRA clearly prefer to have a project that each entity can be proud of and one that brings credit to the community. To fulfill that shared objective, I respectfully request that you call a special meeting of the CRA next week to reconsider the application.

JPI is prepared to commit to changing the proposed use of the ground floor space fronting SW 2nd Avenue from residential to retail and/or office. Previously, JPI has shown their willingness and flexibility to alter the exterior appearance of the proposed development. JPI is now prepared to work with the CRA and incorporate a retail and/or office component. The revised plan JPI is working on to incorporate the desired retail/office component will result in the loss of approximately 8 units and 23 beds. While this change is not recommended by the CRA's third party consultant, PMG Associates Inc., it does accomplish the desire of the CRA to have a mixed use community.

During their due diligence period, JPI has invested a significant amount of time and money (+/- \$350,000 and more than a year) investigating the market conditions and the specific challenges the Cone property presents. JPI has concluded that the Gainesville market, and specifically this site, represent an acceptable level of risk and has been prepared to proceed with a \$48 million investment into the community in collaboration with the CRA. The

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80% increment being requested allows JPI to meet a majority of the CRA goals including aesthetic appeal, street and pedestrian orientation, and now a mix use component. The façade treatment presented April 17th and the mixed use component now proposed will increase JPI's projected cost from +/- \$48 million to over \$50 million. You can see that without the CRA participation, JPI will need to reduce the total project cost substantially in order to achieve a minimum required return on investment for its investors.

I believe this change in proposal fulfills the paramount objective of the CRA. I hope you are willing and able to convene the CRA members to hear and act upon this revision in the next week.

I will check with your office later this afternoon to determine whether this request is accepted. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "C. David Coffey", written over a circular stamp or seal.

C. David Coffey
Attorney at Law

Copy: CRA Member
Russ Blackburn, CRA Executive Director
Kevin Slevin, CRA Manager
Charlie Hauk, Assistant City Attorney
Thomas Saunders,
Benjamin Montgomery, JPI