



104 SW 1st Avenue, Gainesville, FL (City of Gainesville, Lot 10) Proposal Comparison



	Ken and Linda McGurn	PreDESCO Property Investments, LLC	AMJ Group Inc.
Offered Purchase Price	<p>\$3,000,000: or the full appraised value if the City required a new appraisal Other: It is the expectation that the \$3,000,000 cash will be used to:</p> <ol style="list-style-type: none"> 1. Provide low to moderate housing. 2. Provide resources for Grace to assist people living on the downtown streets. 3. Provide for all infrastructure repairs and upgrades on City property for this building and the core pedestrian spine of SE/SW 1st Avenue and SE 1st Street. 4. Pay brokers, the Brokers commission is in addition to the \$3,000,000. The City Commission controls the \$3 million dollars, but it needs to be used generally as proposed. 	\$2,950,000.00	<p>\$2,045,000. Question: Please offer additional details on the requested funds of \$350k, \$150k and \$1M. Is it proposed that of the \$2.045M purchase price \$1.5M will be spent as defined in this section of the proposal? Answer: Correct, we are offering to purchase the site for \$2,045,000 and after closing, by agreement, the amounts described above and on page 33 of the proposal accurately outlines the suggested uses of those funds for the proposed project and surrounding area. 1.) Public Right of Way improvements (not on the development site) 2.) Footbridge to the City Parking Garage 3.) Affordable housing within this proposed project.</p>
Company Address, Telephone and Email	Key Personnel: Ken and Linda McGurn	<p>PreDESCO Property Investments, LLC and/or assigns Attn: Rod Sheldon / Mike Kenney 7280 West Palmetto Park Road, Suite 105 Boca Raton, FL 33433 Rod@predesco.com / Mike@predesco.com Rod: 561-325-6601 / Mike: 561-325-6602</p>	<p>AMJ Group Inc. Lyons Avenue, Suite 1 32601 Alyons@amjinc.com Anthony 502 NW 16th Gainesville, FL 352.375.4600</p>
Ownership/Organization Structure	N/A	100% PreDESCO Property Investments, and/or assigns	Mike Warren, President/owner
Parent Company (if applicable)	N/A	N/A	N/A
Description of Key Personnel (Principal in Charge, Project Manager, others assigned to project)	Ken and Linda McGurn	Rod Sheldon (Principal) & Michael Kenney (Principal)	AMJ - Michael Warren, President and Anthony Lyons, VP Work with Fitzgerald Collaborative and Southeast Centers - Utilize Consultants Eda, Elevated HLG Studio, Sykes and Volt-Air.
Corporate Approval Process	N/A	N/A	AMJ Group Inc. President is the sole authority to approve this transaction.
Organization Chart/Development Team Structure Provided (Y or N)	N/A	N/A	Yes - along with stat sheet on principals in each company.
Years of Experience (related to similar projects)	45 years experience. List of Awards and Recognitions provided in proposal.	In the past 10 years, completed more than 60 development projects featuring national retail tenants. Experience in the Gainesville market – Re-Development of the Former UF Bookstore located at 1614 W. University Avenue and Re-Development of Remote Parking Lot Thereto with Car Carousels which will serve as focal point/landmark in midtown	Over 44 years.
Qualifications	45 years experience, past projects.	See Exhibit 1.1	Over 44 years.



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Past Projects	<p>Gainesville developed and owned projects Include: Union Street Station (140,000 sq ft of mixed use) Sun Center (68,000 sq ft of mixed use) Arlington Square Apartment McGurn Parking Garage Opera House (Harry's) Florida Theater and a dozen other downtown buildings 50,000 sq ft of buildings at the SE Corner of Waldo Road and NE 8th Avenue 110,000 sq ft of office buildings and North Gate Shopping Center at 1000 NE 16th Avenue McGurn YMCA (now a Charter School) 1301 NE 23rd Avenue 8,800 sq ft office building at 1006 SE 4th Avenue</p> <p>New Port Richey, Florida - Main Street Landing (120,000 sq ft of mixed use) Palatka, Florida - Apartments Palatka, Florida - 30,000 sq ft of Medical Office buildings Ocala, Florida - 90,000 sq ft of offices and factory with solar power Ocala, Florida – Hidden Oaks Apartments Others around the state from Suwannee to Volusia counties.</p>	<p>See Exhibit 1.2 See South Florida Business Journal Article Regarding Cornerstone Commons (Exhibit 1.2) @ Downtown Coral Springs. This project features 352 luxury rental apartments 5-7 eating and drinking establishments an office complex and Hyatt Place limited service hotel. Experience in the Gainesville market – Re-Development of the Former UF Bookstore located at 1614 W. University Avenue and Re-Development of Remote Parking Lot Thereto with Car Carousels which will serve as focal point/landmark in midtown. 120,000 SF grocery anchored shopping center in Boynton Beach, FL. Redevelopment of a retail site in Bristol , CT for Harford Health as an urgent care medical facility.</p>	<p>1). Madison Park was built as a Class A office building in Gainesville on NW 43rd Street and currently houses a mix of local, regional, and national tenants including financial services, insurance and technology companies. This premier site was developed by AMJ and is still owned and managed by the firm. 2). Commerce Bldg & Regents Park. Located next to City Hall in Gainesville, this site is 2.87-acres and consists of 46 townhouses and a Class-A Office Building totaling 162,000 square feet. The key to the success of this project is the partnership with the City of Gainesville that continues to this day. AMJ owns and manages the office building. 3). Hyatt Place - The site is approximately .75 acre and 6 different parcels. Construction is set to begin in March 2021. The project consists of a 145 room Hyatt Place Hotel, 39 loft style apartments and 16,500 square feet of retail. The project has site work permits, signed Hyatt agreements for the franchise and operations, and a partnership agreement with the City of Gainesville to provide right of way improvements surrounding the site. 4). Frenchtown - This redevelopment aims to develop vacant and under-utilized parcels within existing urban area that has already largely been developed which, for various reasons, has been passed over in the normal course of urbanization. The focus of the initiative is to craft a complete, well-functioning neighborhood with a synergistic partnership between the developers, the community, and the local government. Architectural sensibilities are also being taken so that the "new" Frenchtown will be shaped and inspired by the historical natural beauty of the area, transforming it into an active, imaginative and inspiring place. 5). Cascades - Mixed Used Development Led by prominent developer North American Properties, This project will include mid-rise residential, retail, office, restaurant and hotel space built to maximize views of Tallahassee's Cascades Park and the State Capitol Building, along with pedestrian-friendly paths to connect the development to downtown, a range of public amenities, and more than 1,000 parking spaces.</p>
Reference #1	Nathan Collier, The Collier Companies c/o Jennifer.clince@colliercompanies.com	1) Gil Levy – Vystar Credit Union – President - Phone: (352) 258-1656	Connor Wielgus Regional VP, Development Hyatt Hotels 404.754.9277 connor.wielgus@hyatt.com
Reference #2	Gene Davis, Architect – 352-372-6477	2) Nick Banks – Avison Young – Managing Director - Phone: (352) 682-3700	Melissa Wiebeck Founder Tall Cotton Capital, LLC 813.732.4891 melissa@ tallcottoncapital.com
Proposed Project - Description of Project	<p>Five to six story mixed-use building similar to Union Street Station. Retail on the bottom floor and residential on the upper floors with the potential of a second floor of offices like in Union Street. The revenue required to maintain and support the cost of this type of construction is not feasible with Low to Mod Housing. However, the Bid Proposal provides funding to assist in that endeavor (see 'Other' #1). No Due Diligence required after signing of an agreement with the City.</p>	<p>Ground Floor Retail @ 25,000 sf eg.(discount grocer); Floors 2-7 @ 25,000 sf each with 27 apartment dwellings averaging 950 sf, all of which will accommodate inclusionary zoning (total 162 units); Adjacent garage to accommodate all parking needs for the project. Our intent is to use the adjacent parking garage to satisfy and meet the needs of the project. This will allow us to minimize our cost outlay and maximize the density of units in the project. We do not have any plan to utilize any parking outside of that provided by the garage.</p>	<p>Mixed-Used Space: 10 Floors > Floor 1 Grocery, Floor 2 Parking Floors, 3-6 Office, Floors 7-10 Residential Condominiums. 1a). parking within the proposed struction will have +/- 90 spaces per floor, currently one floor allocated. That said, we may increase to another floor, pending demand, and if needed, which may be used for any of the uses outlined in our proposal. 1b). The existing City of Gainesville garage will be used for "daily" use parking as it currently is for the general public. We also anticipate needing an additional 50-125 spaces for the parking garage. (There are also alternatives to this).</p>



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Proposed Project - Identification of Proposed Use	<p>Five to six story mixed-use building similar to Union Street Station. Retail on the bottom floor and residential on the upper floors with the potential of a second floor of offices like in Union Street. The revenue required to maintain and support the cost of this type of construction is not feasible with Low to Mod Housing. However, the Bid Proposal provides funding to assist in that endeavor (see 'Other' #1). No Due Diligence required after signing of an agreement with the City.</p>	<p>Mixed-Use: Workforce Housing / Ground Floor Retail. We have not yet specified a specific income level for the project. Generally speaking, it will cater to a middle to lower income demographic. We plan to work closely with the city to understand the specific need in the area and will incorporate that into our plan. It should be explicitly noted that this will not cater to students for any student housing type of product.</p>	<p>Proposal will include a mix of uses including ground floor retail, office and for sale residential condominiums. In this proposal we will discuss in greater detail each of these components, and how they all fit together, however the key components are as follows: • Total Stories: up to 10 (assumes office tenant signs LOI) - 7 floors guaranteed. • Total Square Feet: up to 250,000 (assumes 10 stories) • Grocery Store: Partnered with a grocery expert. • Office Space: Four floors of lease commercial space. • Residential for Sale: 72 condominiums • Affordable Housing: TBD percent of the condominiums will be affordable. AMI TBD in direct consultation with the City of Gainesville. • City of Gainesville Retail: Lease the currently vacant retail parking garage space.</p>
Proposed Project - Anticipated Timeline	<p>a). Inspection Period: None. We have already done due diligence. We have already done Due Diligence. We have the survey. We have the borings from the general area. We have foundation recommendations. b). Agreement between city and developer: 60 days. We have seen and experienced long time lags in the approval of an agreement between the city and developers. Because of our experience with these agreements we believe this time can be greatly reduced. Any delays will not be caused by us. c). Site Plans: 90 days. d). Construction Plans: Six months. We have already discussed the project with the architect who designed Union Street and with FinFrock (the company that built the garage) for a design build product. e). Construction: 24 months. If we elect to use FinFrock Construction time could be as short as 18 months because they would manufacture off site, preposition (on our property a block away) and then erect the base structure with cranes greatly reducing the construction time.</p>	<p>22 Months from Permit Issuance (OR – All Approvals Necessary) * This timeline is an all-encompassing number which will include the time to obtain permits as well as complete construction.</p>	<p>Breaking Ground one year from signing contract with City. Draft Schedule of Milestones - Purchase Contract:: Some of these items can occur simultaneously. Therefore, construction could occur approximately 12 months after land purchase contract is signed. "Inspection Period" (pre-design, site verification, due diligence) - 2 months Programming Phase - 1 month Conceptual Design Development Phase- 1 month Schematic Design Phase - 45 days Design Development Phase - 45 days Closing - After DD phase or City preference Construction documents - 5 months Permitting period - 2 months Construction - 18 months</p>
Detailed Proforma Provided (Y or N)	<p>A proforma is not possible until an agreement is reached with the City. Will be provided separately. Costs are changing daily in today's market. Wood prices are up roughly 175% in the last 18 months. Concrete, metal and other prices are up 20 to 30% in the last 18 months. We have a preliminary estimate from FinFrock of more than \$300 a square foot. Our expectations are that our all in cost can be reduced to around \$250 a square foot. Our tough guesstimate is \$30,000,000 to \$35,000,000 for the entire project. But it remains a guesstimate until exact plans are completed.</p>	<p>See Exhibit 1.3</p>	<p>Yes</p>



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Affordable Housing (Y or N)	No Affordable Housing included	Yes. See Description above.	Yes, based on funding. Firm will put \$1M towards affordable housing units. Question 2. Affordable housing: It's stated, Firm will put \$1M towards affordable Housing units. Answer: General Comment: Firm is suggesting using proceeds from the purchase price per 2a below. 2a Question: Please clarify. Does this mean \$1M of the project budget will be applied towards Affordable Housing or \$1M of the \$2M+ purchase price is to be applied towards Affordable Housing? Answer: We are suggesting the \$1M of the \$2.05M purchase price be allocated to affordable housing with this proposed development, for onsite units, NOT offsite or other parts of the City. Question 2b). TBD% of the condos will be affordable and AMI is TBD. Please offer content on how this will be determined and at what stage of the project. Answer: The proposer suggests that the \$1M towards affordable housing within this proposed project, as stated above, is done in concert with the City of Gainesville. The desired outcome by the City, for example either more units or lower AMI, or a combination of the two, will affect how many units of the project condos are set aside for this. We suggest that this is further clarified with the City during the land contract process with an agreed upon general scope and then detailed and planned during the design development phase(s), see milestones below. Question 2c). There is additional content on page 29 discussing Affordable Housing but please connect this content to this project and the correlation. Answer: These listed items are examples and could be used to begin a conversation between the City and proposer. To be clear, these are suggestions to explore on this site, in the proposed building, for the affordable housing allocation as described above and in the proposal. Each of these ideas and proven methods could be discussed and others offered by either the proposer or the City during the timeline described or whenever agreed to. The goal is to ensure that a portion of the units in this building are affordable to purchase today and in the future. Question 5a). How would this \$47M budget be effected if a defined percentage of the residential units were Affordable Housing Units? Answer: The affordable units will not differ from the "market rate" units, assuming the method of determining the number of units as discussed in our proposal and question 2 on this email. The budget as outlined is for a high quality, "institutional" built building that will be a mostly concrete and steel structure NOT a concrete podium with wood or stick built on the upper stories. The former is how we are building the Hyatt Place downtown as well. All of that to say, the budget as outlined can provide affordable housing without changing anything on the exterior or the structure itself. If the desire is to have more units than the current proposed allocation of \$1m, more subsidy from a source would be needed.
If Y, Number of Units (% of AMI)	N/A	not specifically stated	not specifically stated
Financial Capability of Firm - Proof of Funds (Y or N)	Robert McDaniel, Market President, BBVA, Robert.McDaniel@bbva.com	See Exhibit 1.4 - Letter from ARCTRUST Equities, LLC confirming capital needed	
Financial Capability - ID additional resources, capabilities or assets			
Bank Reference #1	Bob Cameron President Millennium Bank 352 275-0134	Legacy Bank of Florida Attn: Marcia Snyder, COO 2300 Glades Road, Suite 140 West Boca Raton, FL 33431 - Link to letter below 561-544-8400	John P. Moore, Senior VP Wells Fargo Private Bank Independence Drive, 20th Floor FL 32202 7501 1294 john.p.moor@wellsfargo.com One Jacksonville, Tel: 904-351- Cell: 904-635-
Bank Reference #2	Robert McDaniel, Market President, BBVA, Robert.McDaniel@bbva.com	See Exhibit 1.5	Bob Page, Community President Senior Vice President State Bank 4835 Center 352-316-



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<p>Questions</p>	<p>Please clarify the incremental tax mechanism that will be used to refund the \$3,000,000 purchase price. Is this an existing incremental tax or are you proposing to request an incremental tax? Please explain. Answer: This refers ONLY to the incremental property taxes which are directly generated by this property.</p>	<p>The proforma offers a total budget of approx. \$29million. a. Please define the type of construction. b. Please advise if and how the budget and type of construction is effected by the proposed use. c. Do you have any sample projects that might illustrate the character and aesthetics of a building as proposed? Answer: The product will be mid to low rise units similar to the Windsor in Delray Beach. We work closely with the city and focus groups to understand the needs of those for which we will be marketing our product to. (https://www.windsoratdelraybeach.com/workforcehousing)</p>	