

Harrod Properties, Inc.



Police Headquarters Proposal

May 10th, 2019

1. *Ground Lease* – Harrod will ground lease the property from City for a period of two (2) years for \$10.00 per year. If after such period the project has not been completed (C/O issued), the ground lease will increase to a mutually agreed upon rate which will incentivize Harrod to complete the project. Upon completion of the garage and first phase of the buildings, Harrod will purchase the property.

2. *Project Summary*

Harrod Properties (“Developer”) in conjunction with its healthcare division, Harrod Healthcare Real Estate is proposing a mixed-use development which will include approximately 19,000 SF of street retail/restaurant space along Central Ave, a 100-120 room boutique hotel, an 80,000 SF medical office building, and a 580-space parking deck.

This mix of uses optimizes the parking garage and activates the retail during the relatively slow daytime of the work week. The medical office space has far more daytime traffic than traditional office space, which will complement the restaurants and retail along Central Ave. The hotel and retail/restaurant spaces complement each other during the busier evenings and weekends.

We intentionally did not include multi-family. In our opinion, there are more than enough units planned, and existing, to support the district. The inclusion of multi-family would only increase the parking needs during the busy evenings and weekends, and thereby lead to an over-developed site that is not consistent (in our opinion) with the feel of the area.

2. *(continued) Tenant Mix*

For the medical building, our primary tenant is a leading multi-specialty provider of women's health services in Florida, with 71 outpatient locations in 11 counties throughout Florida. The company has over 230 healthcare providers who provide care for more than 350,000 patients annually. The company is backed by a private investment firm with approximately \$13 billion of assets under management.

We have spoken with two hotel partners that are both very interested in the site. The appropriate flag will be determined once the project is further along. Both envision a boutique concept that will incorporate a ground floor restaurant and roof-top bar/lounge.

For the retail, we anticipate the Central Ave. facing stores and restaurants will be local. We feel there is the need for a community pharmacy, which could fit well on the ground floor of the medical office building. We are very early in the process. Retail commitments are expected once the project is further along.

3. Developer will work with the City to coordinate a plan that will minimize construction impact on the community. All construction offices, parking, and material storage are expected to be contained on site.

4. We are proposing two (2) site plans (see Exhibit A). Plan A incorporates the CSX parcel which we expect can be acquired (see Section 22 for explanation). The Plan B Site plan is an alternative if we not be able to acquire the CSX parcel.

Proposed mix of uses:

Retail – Restaurant	13,000 SF
Retail – Shops	6,000 SF
Medical Office	80,000 SF
Hotel	65,000 SF

5. Project pro-forma included in Exhibit B

6. Included in Exhibit C are reference Letters from two of our long term lenders (The Bank of Tampa and Valley National Bank, formerly USAmeribank). Our business is a series of partnerships that are formed for each development, as such we do not compile typical financial statements like a C Corp. See Section 11 for a more detailed description of our company and history. Please let us know if the City requires further surety of our ability to perform.

7. The Project schedule is included in Exhibit D.

8. *Forecasted job impact from project*

Type	Number of new full-time jobs created	Number of relocated jobs	Average Salary	Date jobs will be created
Retail/Restaurant	40-60		market	2021/22
Retail/Shop	20-30		market	2021/22
Medical Office	70-90	190-210	\$64,000	2021/22
Hotel	30		market	2021/22
Property Mgmt.	6	1	\$45,000	2021/22
Total	214-244	40		

9. See Section 8 above

10. The entity will be a SPE (“Special Purpose Entity”) controlled by Harrod Properties, Inc. as the general partner.

We operate as a portfolio development company, meaning we develop for our own account with our own capital. We take a long term approach to all of our projects. We have assets in our portfolio (in Pinellas County) that we developed over 25 years ago. As such, our focus is on developing a quality project.

We are not a merchant developer. Meaning we do not build to quickly sell, nor are we a developer that will put a project together and then look to source the capital to execute. We are well capitalized and will fund this project the same as our other projects, by using our own equity combined with construction financing.

11. *Resume (See Exhibit E for Representative Projects)*

Harrod Properties

www.harrodproperties.com

Founded in 1990 by Gary W. Harrod, Harrod Properties is a commercial real estate development company that designs, builds, leases and manages institutional quality office, medical office, retail, and light industrial buildings. Harrod Properties has been involved with the development of over 20 million square feet of space and prides itself on creating lasting relationships with tenants, investors, and lenders. Harrod Properties acts as a portfolio developer building only the highest quality assets.

Harrod Healthcare Real Estate

www.harrodhealthcare.com

Harrod Healthcare Real Estate is a full-service healthcare real estate company engaged in all aspects of designing, constructing, leasing, and managing institutional quality properties. Created in 2007 as a division of Harrod Properties Inc., HHRE is an integrated healthcare real estate partner that brings institutional level expertise to healthcare practitioners, hospital systems, and investors. In assessing each client's total healthcare real estate needs, HHRE develops a uniquely tailored and comprehensive implementation plan designed to meet specific investment, growth, and strategy goals.

12. *City Projects*

While we have completed over 10 million square feet within Pinellas County, we have not worked much in the City. We have tried several times to develop projects, but they did not materialize. However, we are excited about the opportunity to work with the City on this project!

13. *Development Team*

Harrod Properties

Graham Mavar – *Senior Partner*

Jay Kelley – *CFO*

Stuart Kessler – *Development Associate*

Ryan Danhour – *Senior Construction Manager*

Jeff Bennett – *Construction Manager*

Elevation Architecture

Dennis Carr – *Lead architect and master planner*

Jessica Kisthart – *Architect*

**we intend to hire additional architects/ designers for specialty work such as hotel skin, retail storefront, hardscape, landscape, etc.*

Counsel – *Foley and Lardner*

Civil Engineer and Other Consultants – *TBD*

Contractor(s) – *TBD*

14. As shown in Exhibit B, the purchase price for the land is less than the appraised value. This is to offset the cost of the additional parking required to meet public demand. As designed, the project cannot afford any additional spaces or the rents to the tenants will be too far above market and we will be unable to fill the building.

15. *Parking*

Developer is proposing a 580-space parking deck. The mix of uses is optimized for shared usage of the parking deck.

	Daytime Weekdays (8am – 6pm)	Evenings (6pm – 12am) and Weekends (Sat – Sun)
Medical	400	50
Retail	50	100
Hotel	30	80
Public	100	350

16. No housing component proposed.

17. In Plan A, there is no traditional office space planned. In Plan B, there is 11,000 SF of “creative” office space. Both plans include 80,000 SF of medical office space, which is more complimentary to the project for daytime traffic to the retail and is recession resistant, leading to a more stable project.

18. *Incorporation of the EDGE Plan*

Developer will include +/- 1,000 SF for the Edge District office. The office will not be charged base rent but will be responsible for operating costs associated with the Premises so long as it occupies such space.

19. *Design*

Architectural design will be determined in collaboration with the Edge District Association to be sure the project fits in with the district's Master Plan. The proposed site plans in Exhibit A show the planned greenspace and pedestrian areas. We have included a substantial budget for landscape/hardscape at the street level to provide an exceptional pedestrian experience. Our goal is to deliver a high-quality product that fits within the EDGE District's overall vision for this area and that allows users to interact seamlessly with the project.

20. See section 19 above, the intent is to provide an outstanding street level experience.

21. This project will be accessible to all persons regardless of age or physical conditions. Developer intends to work with the City to design a space that is easily accessed by bike share, bus routes, motorists, and pedestrians.

22. Developer has begun preliminary conversations with C-level executives of CSX, with whom we have existing relationships. The initial feedback on acquiring their parcel has been favorable. On Plan A, we are showing how the CSX land would be utilized with a combination of building and green space.

23. Developer is NOT party to or affected by any litigation, administrative action, investigation or other governmental or quasi-governmental proceeding which would or could have an adverse effect upon the Property or upon the ability of Proposer to fulfill its obligations under any agreement relating to this RFP, and there are no lawsuits, administrative actions, governmental investigations or similar proceedings pending or, to Proposer's actual knowledge, threatened against or affecting the Proposer's interest herein.

24. Developer will replat if necessary at its own cost and expense. We do not anticipate the need to rezone but may need additional FAR as provided for in the Code.

25. Developer will interview and consider all applicable firms for the project, to include those which are part of the City's SBE program. We will endeavor to use those companies which are qualified for a project of this scope and scale. Further, we will mandate our contractor(s) and sub-contractors utilize the City's Workforce Development Team to evaluate candidates for unfilled positions.

26. Developer will work with the City's Workforce Development Team.

27. Developer intends to design a pedestrian friendly project with activated retail along Central and 13th Avenues, ample greenspace, roof activation. We will use sustainable materials and practices as much as feasible.

28. In addition to servicing the community's health needs, the development will also provide a healthy workplace environment.

29. Contact:

Graham Mavar

Email: gmavar@harrodproperties.com

Phone: 813-229-1500

Fax: 813-221-1570

Exhibit A – Conceptual Design

Plan A Site Plan (with CSX)

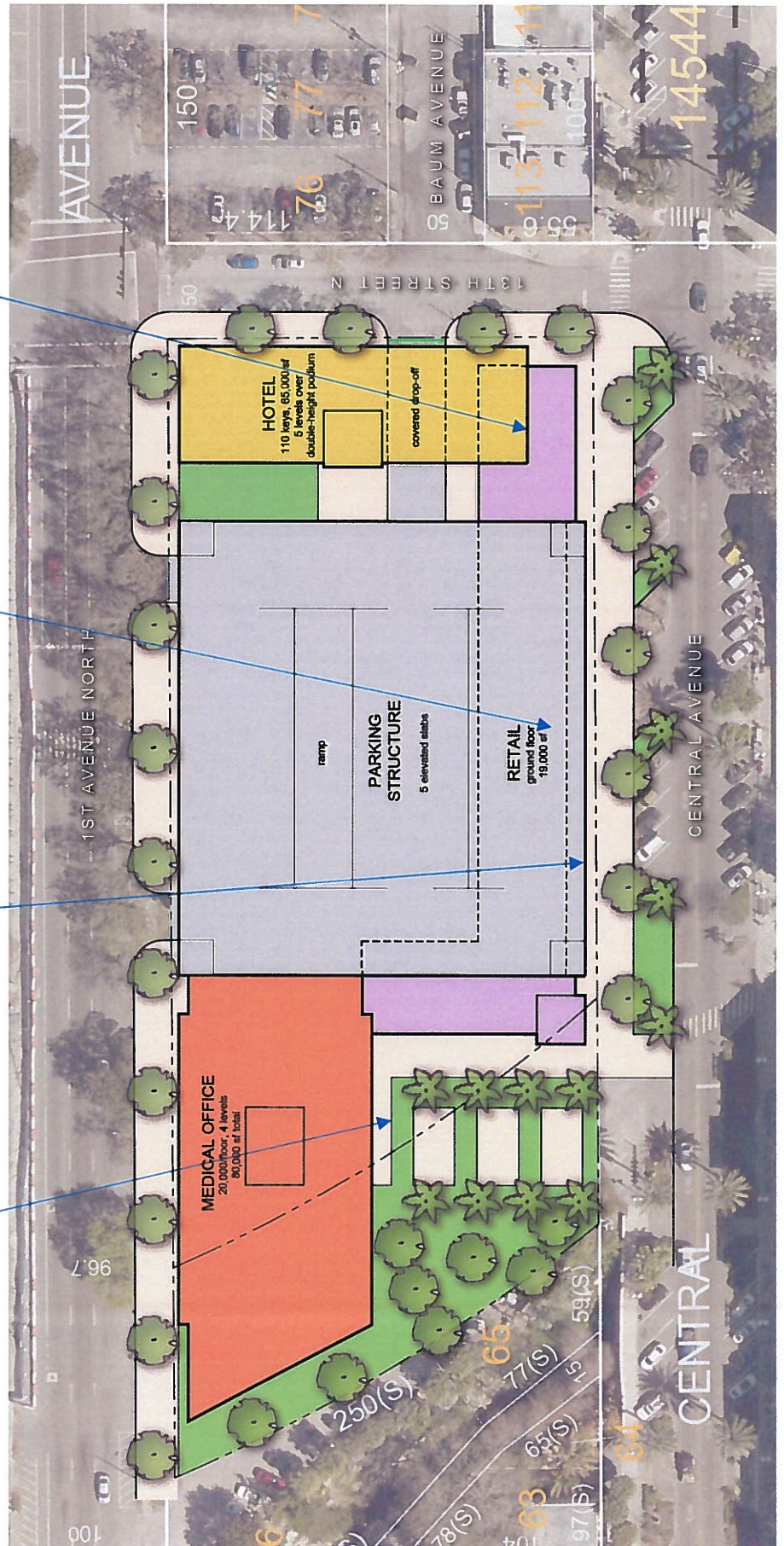


Exhibit A – continued

Plan A – Massing

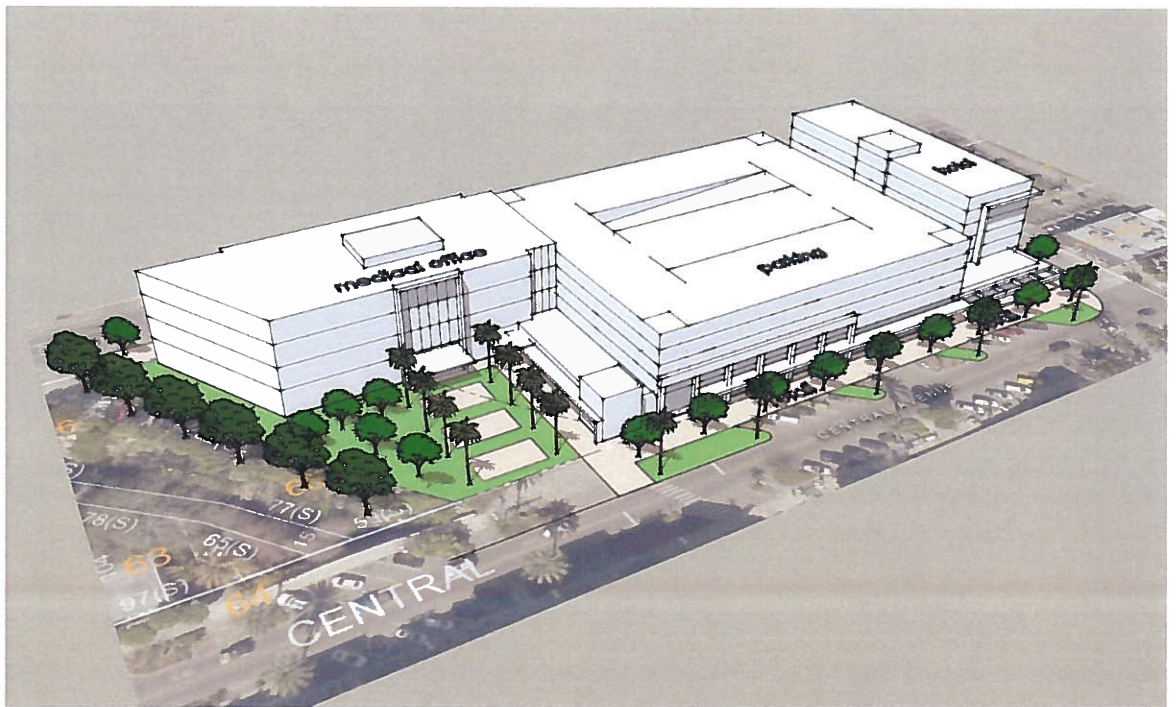
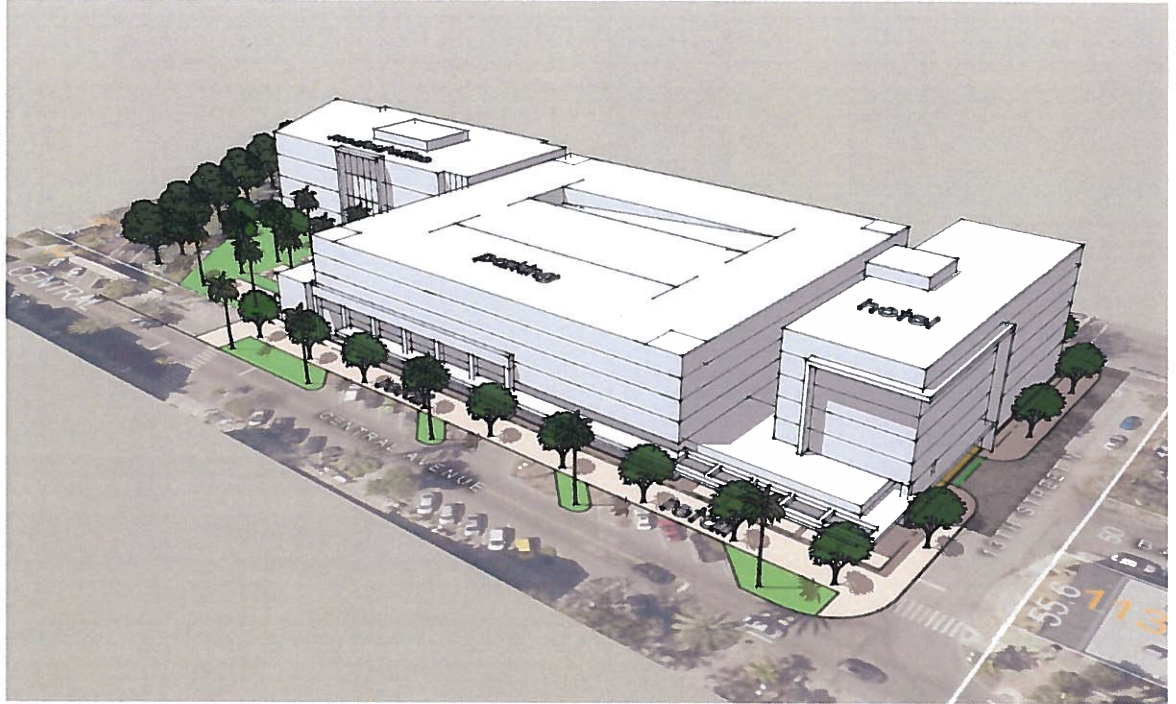


Exhibit A – continued

Plan B Site Plan (no CSX)

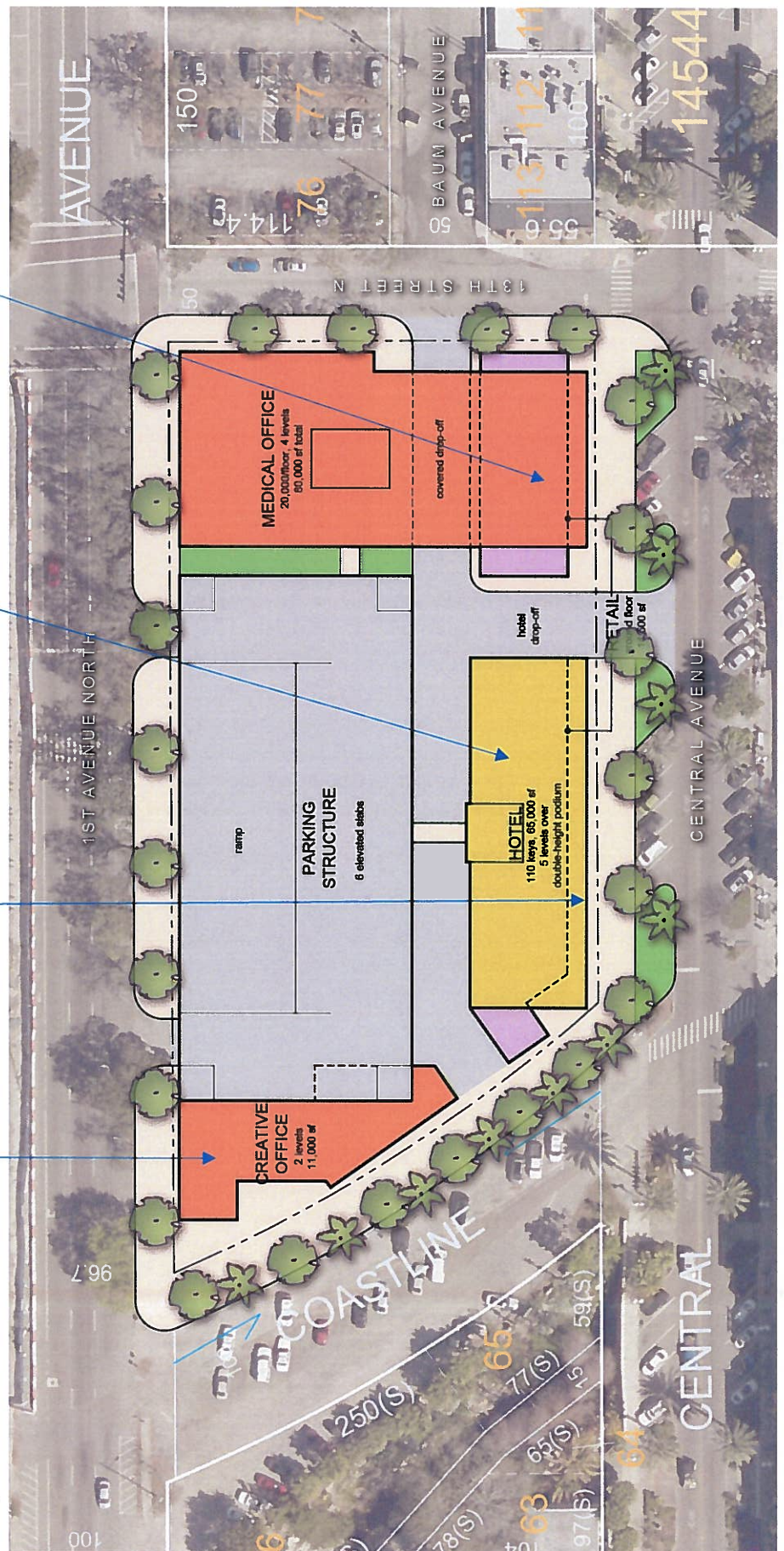


Exhibit A – continued

Plan B – Massing

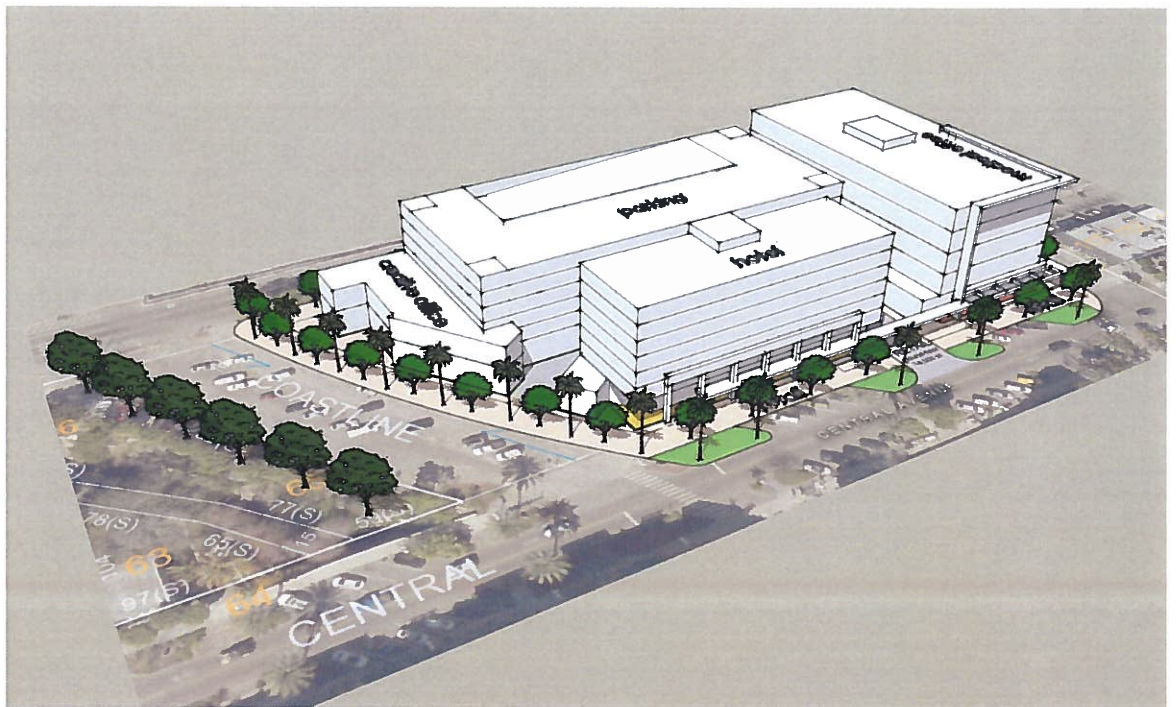
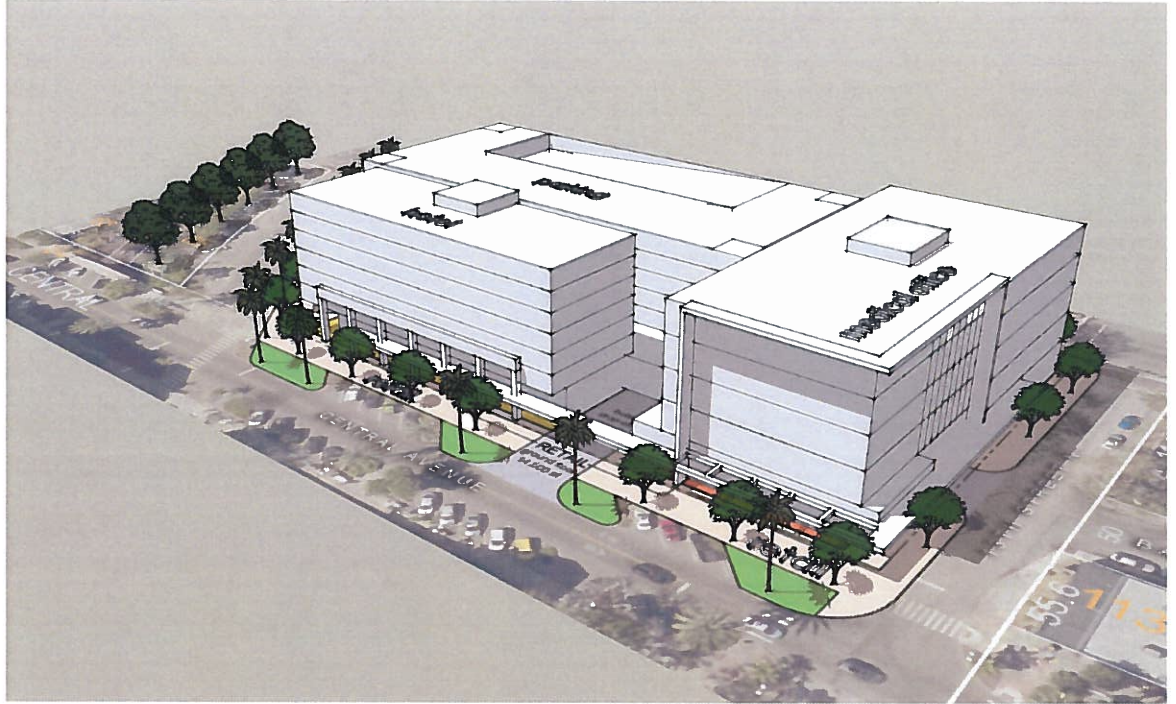


Exhibit B – Pro-forma Budget

Total MOB and Retail Size	99,000 sq ft
Hotel Size	65,000 sq ft
Land	\$ 3,000,000
Hotel	16,100,000
Sitework and Building	15,500,000
Structure Parking	8,703,250
Tenant Improvements	7,520,000
Other Project Costs	8,516,200
Total Cost	<u>\$ 59,339,450</u>

Exhibit C – Lender Reference Letters

The Bank of Tampa

POST OFFICE BOX ONE
TAMPA, FLORIDA 33601-0001

William O. West
PRESIDENT

BAYSHORE OFFICE
801 BAYSHORE BOULEVARD
TAMPA, FLORIDA 33606
(813) 872-1202
FAX (813) 872-1384

May 1, 2019

RE: Reference Letter for the City of St. Petersburg

To Whom It May Concern,

The purpose of this letter is to advise you that the Bank of Tampa (the "Bank") has had a valued relationship with Harrod Properties, Inc. and related affiliates (the "Company") for over thirty years. During that time, the Company and its principals have been exceptional customers of the Bank and always handled accounts as agreed. The Bank has made loans to various Harrod companies over the years that, in the aggregate, have been in excess of one hundred million dollars and all loans have been repaid as agreed. The Company has and continues to maintain cash balances exceeding 7 figures with the Bank. The principal of the firm, Gary Harrod, is also a valued director on the Bank's Board.

Please advise if you have any additional questions.

Sincerely,



William O. West
President and Chief Executive Officer
Tampa Bay Banking Company
The Bank of Tampa

Exhibit C – continued



May 1, 2019

RE: Reference Letter for the City of St. Petersburg

To Whom it May Concern,

Please be advised that Valley National Bank and its related affiliates (the "Bank") has had a valued relationship with Harrod Properties, Inc. and related entities (the "Company") for over 15 years. We have made hundreds of millions of dollars of construction loans to the Company and all loans have always been handled as agreed. The Company maintains an excellent reputation as a successful commercial developer in the Tampa Bay community.

I am happy to provide additional information as needed.

Sincerely,

A handwritten signature in blue ink, appearing to read 'J. Taggart', with a stylized flourish.

Joseph E. Taggart
Senior Vice President
Commercial Real Estate Lending Manager
Valley National Bank

Exhibit D – Project Schedule

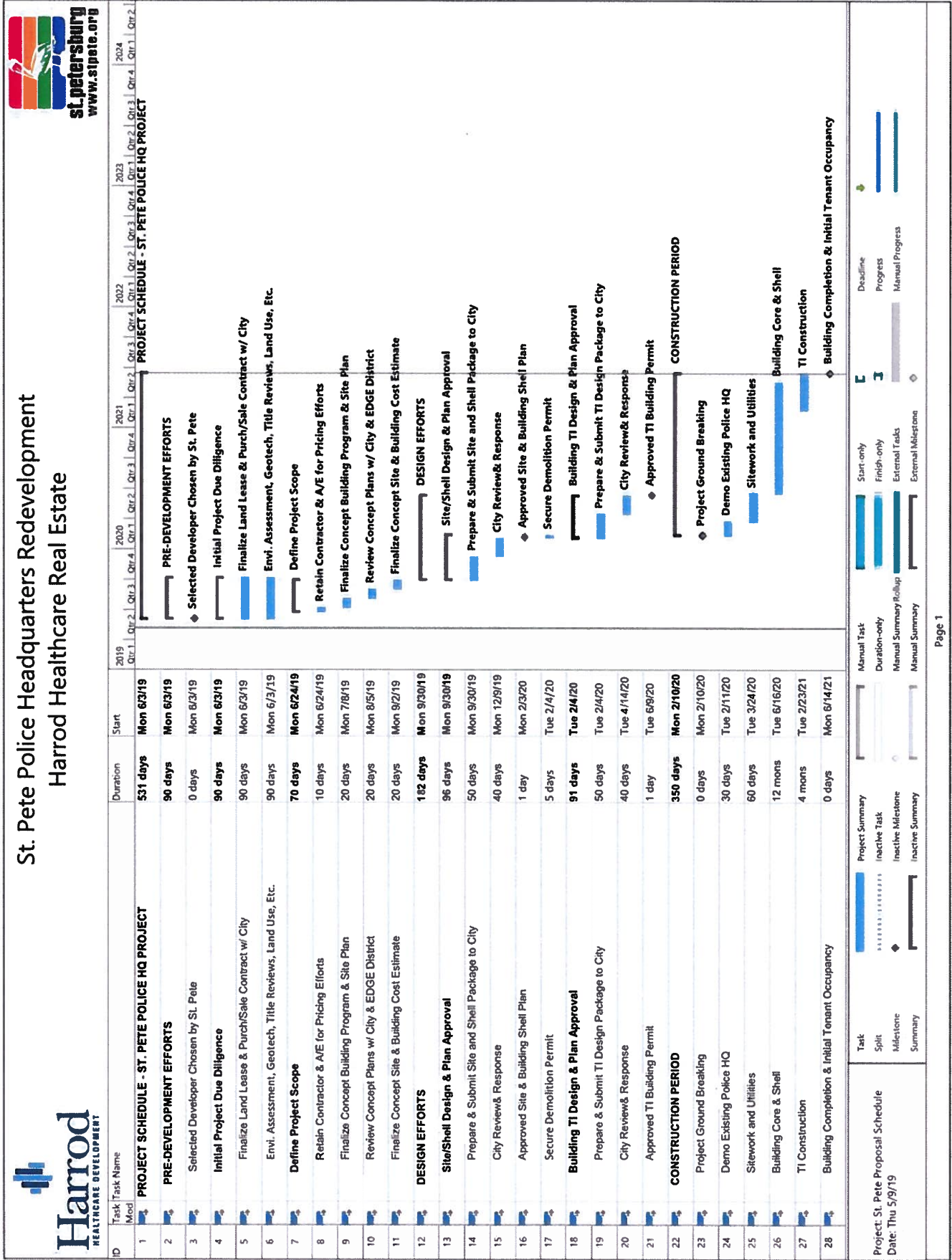


Exhibit E – Project Portfolio

PROJECT NAME	SQUARE FEET	PRODUCT TYPE
Brandon Medical Village	60,000	Healthcare
D-1 Westchase Sports Medicine	35,000	Healthcare
Independence Medical Village	71,711	Healthcare
Legacy Medical Village	94,391	Healthcare
Logan Labs	16,776	Healthcare
Medical Village of Tampa	54,532	Healthcare
Mickinney Medical Village	76,896	Healthcare
Plant City Medical Village	15,000	Healthcare
Southwest Medical Village	71,392	Healthcare
YMCA	36,000	Healthcare
Adamo 1,2,3	228,000	Light Industrial
Asturia Corporate Center	238,000	Light Industrial
Aviall at Dallas Fort Worth Airport	278,734	Light Industrial
Bryan Dairy East	280,592	Light Industrial
Bryan Dairy West	88,760	Light Industrial
Cardinal Health	160,151	Light Industrial
Diamond Products	140,000	Light Industrial
DSC Sales	66,400	Light Industrial
Ellis 1 & 2	333,000	Light Industrial
FedEx Distribution	35,145	Light Industrial
Gatewood Corporate Center	514,000	Light Industrial
Gulf Controls Corporate HQ	54,000	Light Industrial
Hitachi Facility at Dallas Ft. Worth Airpor	72,056	Light Industrial
Linvatec	124,950	Light Industrial
Orlando Central Park 2-8	1,225,000	Light Industrial
Publix E-Grocery Distribution	121,000	Light Industrial
Sabal Park 1, 2, & 3	249,000	Light Industrial
Southbrook Corporate Center	186,688	Light Industrial
Star Center 1 - 5	490,000	Light Industrial
Star Distribution	850,000	Light Industrial
Starkey Lakes Corporate Ctr	603,761	Light Industrial
Starkey Lakes South	288,000	Light Industrial
ValPak Corp. HQ	326,700	Light Industrial
Wendover Art Group	127,065	Light Industrial
Ashley Tower	400,000	Office
Bayshore Executive Center	24,688	Office
Buschwood I, III, & III	260,000	Office
Citadel 1 & 2	280,000	Office
Cypress Bay I and II	118,400	Office
Dex Imaging Memphis	25,000	Office
Dex Imaging Nashville	35,000	Office
Maitland Summit	300,000	Office
Nielsen Headquarters	442,742	Office
Parallon	83,000	Office
Spectrum Technology Ctr	198,511	Office
StratiFi Corporate HQ	50,000	Office
The Fairways	92,000	Office
United Healthcare	100,577	Office

Exhibit E – continued

118th Place	169,000	Office, Light Industrial
580 Corporate Center	315,500	Office, Light Industrial
Bardmoor Palms	566,428	Office, Light Industrial
Belac	30,000	Office, Light Industrial
Brooker Creek Corporate Center	307,000	Office, Light Industrial
MicroLumen	58,000	Office, Light Industrial
Northlake 1-6	290,000	Office, Light Industrial
TonerType	61,635	Office, Light Industrial
Bay Vista 1	246,470	Office, Light Industrial, Retail
Casselberry Collection	172,000	Retail
Largo Mall	700,000	Retail
Palm Harbor Center	43,000	Retail
Terrace Collection	29,500	Retail
The Galleria	167,691	Retail
University Collection 1&2	200,000	Retail
Academy Preparatory School	35,000	School
Montessori	9,160	School
Breckenridge 1-9	456,907	Service Center
Intervascular	25,000	Service Center
Lakepointe 1&2	170,000	Service Center
Northport 1 - 6	224,116	Service Center
Timeplex	25,000	Service Center
Turtle Creek 1, 2, & 3	135,000	Service Center
Westbrook 1, 2, & 3	187,228	Service Center
Pelican Golf Club	65,000	Special Use
Feld Entertainment	522,699	Special Use



