

1. Are there any costs to the City imbedded in the proposal, including utility/infrastructure relocation, expansion, or removal? If yes, please identify.

No.

2. How much of the proposed project can be developed with the current zoning?

The proposed project cannot be developed with the current zoning.

It appears to us that approximately 1.2 acres are zoned CCT-1. Using the base density of 24 units per acre plus the workforce bonus of 6 units per acre, amounts to a development potential of 36 units. This is not enough to develop the proposed project.

3. Please identify expected sources & uses of City/County funds in Phases I & II (Tab 5: Proformas & Budgets).

We will apply for any and all funds that are or will become available. These might include:

- Pinellas County Land Assembly – The County has \$15,000,000 available for land that the County will purchase and lease back to the user for affordable housing.
- Pinellas County SHIP – Subject to continuing legislative action and other County priorities.
- Pinellas County HOME – Same.
- Pinellas County Housing Authority – The County Housing Authority might be able to provide project based rental assistance at rent levels in excess of those shown in our proforma. This would reduce the need for City/County funds by allowing us to increase the Bank loan.
- City SHIP – Subject to continuing legislative action and other City priorities.
- City HOME – Same.
- City CDBG – Same.
- CRA TIF – Same.

We will also apply for other funding that could fill that gap, for example: Brownfields Sale Tax Rebate, or Federal Home Loan Bank of Atlanta.

As shown in tab 5, we are willing to defer a substantial portion of our Developer Fee as well.

4. What is the relative certainty of receiving FHFC tax credits for this project? If you don't receive FHFC tax credits, does the project die?

In the next cycle, FHFC intends to allow municipal governments to prioritize one site, rather than the current system. FHFC is also conducting cycles that are geared expressly to sites that are part of an overall revitalization plan. Under one of these scenarios, our relative certainty is greater than 50% of receiving the tax credits. The project only works with tax credits. There is an alternative tax credit structure called the "4% credits". We would pursue both the 9% and the 4%. We would want to be able to apply over a period of time until we win.

5. What is the significance of March 31, 2017, as stated in the second deposit to the City (Tab 1: Payment to City)?

That is the approximate date we expect to know if we won the tax credits.

6. If the required zoning is not in place when you apply for FHFC tax credits, will you be eligible to receive them?

No.

7. Have you had preliminary discussions with retail space users? Can you provide any letters of interest or letters of intent?

Not with users. But we have attached a letter hereto from a local realty company.

8. What experience do you have with retail leasing of mixed use projects?

Negligible, but since it seemed important to have some commercial space fronting 22nd, we will commit ourselves to doing a fine job.

9. How is the retail space incorporated into your submitted proforma?

The anticipated rental income is shown at \$48,000 per year per phase (5,000Sf x \$12/sf x 80% Avg Occupancy).

The anticipated expenses are shown at \$35,000 (5,000Sf x \$7) per year per phase.

10. How will retail tenants recruit CRA residents for available positions? What community partners are you planning to work with to accomplish this goal?

We will incorporate into our commercial leases an addendum that informs tenants of the goal, requires them to take affirmative steps to achieve the goal such as: to post open jobs on local job boards, and to interview at least one CRA resident for each new hire. We would expect work with groups such as Pinellas County Job Corps Center, Career Source Pinellas (a member of the American Job Center network), Pinellas Technical College, Warehouse Arts District, and St. Pete College.

11. How does this project benefit the community and how will you be a community stakeholder?

By providing brand new affordable rental housing to the hardest-working folks in the community. This housing will have amenities, be well-managed, and will be attractive.

We are responsible for the upkeep of our buildings for at least 15 years. It will be in our interest to work to further improve the community to ensure the long-term success of the investment.

12. According to the proposal, you will hire 13 jobs in Phase I (2 acres) and 13 jobs in Phase II (2.5 acres), please confirm. What types of jobs will these be and what is the average salary for these positions? Who will hire these employees?

Type of job	Average salary	Who will hire
Property Manager (2)	\$45,000/yr	Blue Sky
Leasing Agent (2)	\$35,000/yr	Blue Sky
Maintenance (2)	\$35,000/yr	Blue Sky
Retail/Office/Restaurant (20)	Unknown, but probably same as above.	Commercial tenant

With respect to the last category, we are not able to provide specific information as that will be determined by the tenant. If specific information is required for a formal report at any point, we will provide sufficient information to properly complete the reporting requirement.

13. Please expand on your statement that you will encourage commercial tenants to hire local persons. What does this mean?

We will incorporate an addendum to commercial leases detailing the measures that they will be expected to take. We propose to draft this addendum with City input.



Dear Shawn,

Based on our extensive discussions over the past 3 months, we understand that your firm is proposing to develop mixed use affordable housing in both St. Petersburg and Tampa. Commercial Partners Realty, Inc. has extensive experience leasing this type of space in both cities. We have successfully leased approximately 85,000 square feet in the past couple years.

We have looked at your sites: 10,000 SF of first floor commercial along 22nd Street S. in St. Petersburg and at the corner of Rome and Main in Tampa. Assuming an initial occupancy in 2017-2018, we think that your projection of \$12/SF and 20% vacancy is very safe.

We further understand that the funding agencies desire to provide opportunities to local businesses. We would design a marketing plan that caters to this goal and provides incentives to ensure success.

Please let us know when we can start a pre-marketing plan.

Sincerely,

A handwritten signature in black ink, appearing to read "Erik Anderson", followed by a long horizontal line extending to the right.

Erik Anderson
Commercial Partners Realty, Inc.