

**David Dickerson**

Real Estate Coordinator, Real Estate &amp; Property Management

City of St. Petersburg

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David,

Having responded to your 15 "Questions for EMP Industries, Inc." below, please let me know if any additional information would be helpful. It is our hope and intent at this juncture to proceed to face to face discussions with the city's staff, and planning leadership. While there may be some gaps in our responses we attempted to be as complete as possible where we were able. Some of the responses may require further discussions or negotiations with the city and are offered in goodwill demonstrating our willingness and degree of flexibility. Other financial sources and occupant inquiries remain open pending a more concrete ability to negotiate terms with these parties.

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

We have not fully discovered the infrastructure costs as described without a full engineering study of the sites. All onsite utilities and storm drainage systems to serve the project would be constructed as a part of the project infrastructure design including stormwater management ponds we expect these costs to be borne by the development.

Separate from those utility relocation within and serving the project only, there are relocations of water, sewer and storm systems that will be within the City rights-of-way that we would request the city to cover. The approximate costs related to the public utility relocations within Public Right-of-Way include:

1. Water Distribution System: 2000 LF of pipeline and hydrants: \$40,000
2. Sanitary Sewer System: 600 LF of pipeline and manholes: \$25,000
3. Storm Drainage System: 1000 LF pipeline and structures: \$65,000

(These costs could be incorporated into the negotiation for the property sale price as referenced in Question 14).

The proposed concept has attempted to utilize the infrastructure, streets, stormwater structure and utilities as close as possible to existing and designed the site concept to offer the most feasible density, circulation and utility infrastructure.

The concept plan proposed requires reorganization of infrastructure, we believe that the industrial flex space, retail and apartment in the IT and CCT and the building locations optimizes traffic pattern, corridor frontage, existing known utilities and stormwater and produces the best business feasible use of each parcel. Our team, with engineering advice, proposes a combination and layout that offers the most density in usage with an attractive combination of uses.

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

Ninety three percent (93%) of the project as it has been proposed is within conformity to current zoning. The IT industrial development and the CCT retail and apartment development are conform to the current zoning. The portion of the IT zoning that we have proposed a change from IT to IS represents about 7% of the total project. As stated below in the response to question #6 we are prepared to adjust our proposal to develop this area along the north 22nd St corridor for IT, assuming there is no other way to achieve a more multi-use, “main-street” village development here.

**3. Documenting jobs number requirements is a critical aspect of the St. Petersburg Commerce Park project. Please provide an affirmative statement that you will comply with the job creation requirements stated in Section 8 of the RFP.**

Yes, we will comply with the job creation requirements. As per these requirements in Section 8 of the RFP and per HUD’s requirements, at least sixty-four (64) individual jobs will be created, and at least thirty-three (33) of which will be created in households that are in the low to moderate-income range. Further, we will incorporate appropriate measures and reporting within occupier (office, retail, industrial) leases/agreements.

**4. Please confirm the number of “new” jobs that will be created. New jobs are those created as a result of the proposed development and do not include any pre-existing jobs that are moved to the site.**

We anticipate a minimum of 168 new jobs. Approximately 10 jobs will be moved from the marina district in St. Petersburg.

**5. Please advise if the project can go forward if the remaining privately owned lot on the south side of 7th Ave South cannot be purchased by the City. The City cannot commit to buying this parcel.**

Yes the project can move forward; however we would encourage discussion on a joint effort to vacate that lot. If our project where to go forward with the remaining lot privately owned our team may have unique disadvantage in negotiating this lot and if not successful this would impact the development area of the key job creating, industrial component and affect the project financials. The lot is approximately 3,200 square feet and aside from creating potential issues relating to non compatibility uses this would impact the project by lowering the available IT area by as much 3,200 square foot from the house itself plus about an additional 5-6,000 sf east of that particular

lot. Thus lessening the new industrial flex space and negatively impacting the yearly cash flow and project value plus limiting the available IT area for job creating by as many as 7 jobs. The locale of this lot is unique in being in the middle of the IT area unlike the other private lots that break-up the furthest south west area.

**6. Live/work development, even with a rezoning from IT to IS, cannot be developed as proposed on the concept plan. Please advise if any other alternatives, consistent with the IT zoning can be proposed.**

We are flexible and can adjust to IT conforming development where we have proposed the IS zoning change and Live /Work development. As stated in response to Question #2 this area represents about 7% of our project. The goal in enhancing the project economic success and community utilization, and 22nd corridor appeal is the driver for investigating all options for a live work area along the north portion fronting on 22nd street. We hope to explore other potential physical building configurations or zoning requirements to achieve more a multi-use component in this specific section of the project, however, we are fully prepared to complete the project within the IT zoning conformity if that is not possible.

**7. No commitment is provided to make a credible effort to participate in the City's Small Business Enterprise Program (SBE) per preferred RFP criteria #9. Please explain.**

We apologize for the oversight in the proposal. The development team has a commitment to the goals and values established by the St. Petersburg SBE program. We are committed to using at least 30% SBE participants for the development of the site and onward as the site is used for the enjoyment and prosperity of the community. Some of the professional organizations we have recruited and or in discussions with at this time are SBE certified they include Renker, Eich Architects and Lema construction.

**8. How will the business recruit CRA residents for positions? Are you planning to work with any community partners to accomplish this goal? Please specify.**

Yes, we plan to work with community partners for recruiting CRA residents. We have already met with and plan to partner with The Urban League and have had meetings with the director Mr. Watson Haynes and provided his letter of support of our proposal. Similarly we plan to recruit from St. Petersburg College and Pinellas Technical College and have met with the leadership of these workforce feeder organizations. Our objective in this area is to work very closely with these and other community organizations to become a model in St. Petersburg and beyond for CRA hiring and community partnership, as we strongly believe in local hiring and that living wage jobs and skill training are foundational to a successful community and likewise to our proposed development.

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

We will invest in making the project successful, creating the jobs and residential and retail shopping to further progress the area economic renewal. Our plan includes living wage jobs and skill training that will enable new job market entrants to learn lifetime skills and progress within our occupier company's and beyond. The companies that are anchoring our project are involved in the manufacturing and marketing of new solutions linked to sustainable products, environmental protection and technologies of advanced manufacturing and fabrication. Other companies we are attracting make products and equipment and solutions that improve our quality of life and the environment. This something we hope the whole community can be proud of but we will all realize benefit that this sector offers our new workforce lifetime career potential. Making St. Petersburg an nationally known industrial center for the marine and environmentally friendly products industry is a part of our vision another cache that will bring commerce and tourism. Other sister industries are likely to come and grow within the area to enhance the benefits that this project brings into the city. The economic impact of new living income wage jobs in the city will benefit the city as the economic multiplier roots within the Commerce Park and spreads through St. Petersburg.

In addition to business and jobs, we have met with the church adjacent to Commerce Park and discussed a needed and promising child care facility that the church leadership envisions and realize the mutual benefits and we have offered assistance in some mutual benefits as we design and build Commerce Park. Concessions we may be able to extend to our neighboring church could be realized with mutual landscaping and stormwater retention. EMP/Commerce Park LLC has offered to include and paid for art installations from local artists as we make our campus attractive, we are committed wholly to offering this to the local art community. In planning this we have already met with discussed with the Art Exchange as they are the closest immediate art neighbor. Again, we have already met with PTEC, SPC and Urban League to initiate partnership with the community. EMP/CPLLC has met with Deuces Live, a competing proposer, and if we awarded the development we will again reach out to Deuces Live to include that organization in making the 22nd street corridor a vital part of the Main-street district. We see a great balance potential with EMP/CPLLC proposal and vision that uniquely will bring the arts community, Deuces Live Main Street, Educational and Vocational communities and residents more together progressing the common goal of creating a job driven, dynamic and thriving community in Commerce Park and the Dome and Arts Districts.

**10. In your proposal there is a \$12 million dollar letter of interest from Northstar Bank. Please provide demonstration of verifiable financial commitments and any associated conditions.**

Our debt partner (construction loan/lender) will fund after RFP award and after an award agreement, leading to the development agreement is signed and on receipt of construction permits. We have not yet made a final selection our debt partner but with the letter of interest from Northstar we have received other interest from banks to participate in the debt. We anticipate selection of a debt partner once we are awarded the development and enter a agreement confirming the award. Our pre-lease/occupier commitments anchor debt and equity investment and are a competitive advantage for us in making this project a success.

11. Who will be providing the remaining equity for the project? Please provide any applicable financial statements demonstrating financial ability for the proposed project.

Our equity partner (s) will commit funds after RFP award and after the agreement leading to a development agreement. Our pre-lease/occupier commitments de-risk debt and equity investment and are a competitive advantage for us in making this project a success.

12. Please indicated what jobs are confirmed for Phase I? You indicate that a majority of the square footage of industrial space has already be committed for rent. Please show evidence of the commitment. Please indicate square footage and new jobs per company.

Jobs for Phase 1								
	<u>Attaj</u>	<u>Accmar</u>	<u>EMP</u>	<u>Confirmed Property</u>	<u>Additional Occupier</u>			
	<u>(Confirmed)</u>	<u>(Confirmed)</u>	<u>(Confirmed)</u>	<u>Mgt. &amp; Retail</u>	<u>Jobs and Growth</u>		<u>Total Proposed</u>	
					<u>Phase I</u>		<u>Jobs</u>	
Skilled	17	7	12	0		50		86
Managerial	6	2	4	3		10		25
Executive	5	2	2	1		14		24
Administrative	3	1	2	5		8		19
Supportive	2	2	2	0		5		11
Retail	0	0	0	6		7		13
<b>Total</b>	<b>33</b>	<b>14</b>	<b>22</b>	<b>15</b>		<b>94</b>		<b>178</b>

A total of 94 jobs are confirmed for phase one that will include 33 new jobs wit Attaj Energy, 12 new jobs with EMP and 14 with Accmar. and 15 jobs will be created with retail shops, property management and security. EMP has committed to move it's manufacturing and headquarters to the Commerce park and existing 10 jobs and has a growth strategy with confirmed new technologies for sustainable solutions that will require at least 20,000 square feet and a total of 12 new jobs in addition to the 10 moving from the St. Petersburg marina district. Accmar Equipment has stated in the attached email letter that they plan on needing at least 15,000 sf and will bring at least 14 new jobs to St. Petersburg Florida. Accmar Equipment was started in late 2008 and maintained stable revenue through 2012 and it's revenue has nearly doubled in 2013 and 2014 and into 2015 due to market demand, innovation and high quality product. The companies we are already and intend to attract are in attractive business sectors, offer great training opportunities and must demonstrate growth potential.

Evidence of 100% commitment from these and other occupiers would come as we enter bonafide negotiations based on gaining an award on the project and having some level of rightful negotiating possession or entitlement. As developer of the project there are nuances in negotiating a pre-lease agreement with these occupiers and/ or partner agreements prior to the having a semblance of an agreement with the city. We plan to include Accmar Equipment and Attaj Energy in the discussions with the city planners and staff once we enter the next stage of negotiations on development agreement. Additionally, we will incorporate job measurement, communication and staffing criteria into the occupier agreements.

13. Please indicate who will occupy the 24,320 square feet of retail space in Phase I.

The are no pre-commitments on the retail space. We envision project appropriate occupiers in the

retail space including food and beverage, apparel, bike shop, small gallery. The confirmed industrial occupiers generating increased local demand for F&B, and other shopping is the financial and operating driver of the project and will enable strong occupiers in the retail space. Pipo's To Go a Pinellas based successful food business is committed to occupying 7,000 to 10,000 of the retail area with a minimum of 10 jobs in commissary for catering and retail.

**Appropriate retail occupancy criteria can be incorporated into the Development Agreement. Retail marketing/leasing efforts will begin after RFP award.**

14. Would you reconsider what you will pay to the City for the land?

Yes. There are components of the project that may change from the existing proposal as highlighted herein like the IS / Live Work area (as discussed in question #1 and #6) which may increase or decrease the cost and value of the project, the vacating of the residence on 7th avenue (discussed in question # 5) and costs of utility within the city's rights of way (described in question #1). As it is early in the process we will remain flexible to meet the needs of the City within the limits of funding and the economic feasibility.

15. Please provide specific examples of other projects the proposed team have accomplished together.

**This proposed team have not worked together before.**

The focus of the EMP/CCPLLC is on investment serving the occupiers and the community and collaboration with government to achieve shared goals. EMP/CCPLLC is sponsored by EMP Industries and has been formed around long time business partner partners and relationships evolving our team. EMP has been working with Farias Marketing Group for several years and helped forge, as consultants to the Harborage Marina a three million dollar mega yacht facility. EMP and FMG together and apart have worked with Marinetek to augment major dock construction projects which include collaboration on the new Harborage project and a twenty two million dollar renovation of Pier 66 Marina in Ft. Lauderdale completed this past year. Tom Callahan and EMP was instrumental in recruiting Marinetek North America headquarters to St. Petersburg in 2010 highlighting EMP and Callahan's contribution to ethical and environmental friendly business and passion for the St. Petersburg business climate and quality of life. These business contributions are also represented in 15 years of national association leadership and a board directorships. In recruiting local team contributors like George F. Young and Renker, Eich Architects we have planned and strategize in working in continuity with our team and contractors that exhibit deep local knowledge and experience working together.

Sincerely,



Thomas Callahan

**From:** "Accmar Equipment Co. - Juan P." <juanp@accmarequipment.com>  
**To:** "Tom Callahan" <tom.callahan@empind.net>  
**Sent:** Monday, October 12, 2015 1:22:15 PM  
**Subject:** Note of intent best efforts

Dear Tom,

Regarding the project at Commerce Park, this email is to confirm Accmar Equipment remains very interested in the Commerce Park Marine and Environment manufacturing specialty complex in St. Petersburg Florida known as Commerce Park. It is within our plans for expansion to occupy between 15,000 sf and 30,000 sf in the 1st phase which implies some 10 to 30 new metal fabrication jobs. We are working on a plan to secure other grants and funding opportunities to procure "state of the art" metal fabrication technology including 3-D mold making CNC machining and cutting equipment that would allow for high quality products to be manufactured in the complex. We understand that there is a great source of potential young talent available through the various vocational organizations close to Commerce Park and we are excited to bring real commerce training opportunities to the project. I understand that the project must be awarded to your proposal and we continue to support the endeavor and look forward to the occupancy opportunities we can negotiate once the project is awarded and the development becomes tangible.

Best

Juan P.

**Juan Pizarro**

*President*

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