

October 11, 2021

Pensacola Parcel 4 & 5 – Talking Points

1. Process to date

- a. This MOU was attached to our original submittal for all parties to review, consider, and comment on when we submitted our proposal.
- b. The Mayor requested the MOU, (with values inserted), on Sept 13, we immediately submitted it to the Mayor and Mr. Rothfeder.
- c. We typically expect some degree of negotiations and legal review for these types of submittals prior to being considered by a City Council or other governing body.
- d. To date, we have received no comments or questions from the Mayor or City staff since we submitted the MOU.

2. There are two types of solicitations the City could have considered:

- a. A request for teams to submit on a specific need. In this case, the City would have performed its own due diligence to evaluate options, create preliminary design, budgets, and other due diligence items for the competing teams to understand what they were proposing on. Under this program, the City would have front-end due diligence costs.
- b. A request for teams to be creative and submit best use concepts for the property

The City elected the latter option.

3. Because of the open nature of the solicitation process, the city received two general project opportunities.

- a. A private for-profit development opportunity including luxury dwellings and other private development options
- b. A public development opportunity which potentially includes:
 - i. public parking (to facilitate surrounding private developments and public infrastructure)
 - ii. public use event, conference, convention, banquet, and other public use space (to be a catalyst for downtown growth and increased tax revenues, provide benefits to the citizens, spur interests and use of surrounding developments)
 - iii. museum and tribute space (to celebrate and memorialize Pensacola's history and heritage)
 - iv. Income specific housing options.

The City's previous investments in downtown are paying off. Perhaps not through direct cash but by assisting in creating an environment conducive of growth, as is evident from the private sector investments downtown. There are over 1200-dwellings in various stages of development and approval processes for the immediate downtown district.

Why would the city encumber public lands for private developments when the public land could be put to a higher civic use and the private development sector is alive without the need for public involvement?

4. City's can calculate or realize "benefits" in investments from several perspectives including:

- a. Direct impact to cash in hand
- b. Short-term and long-term impacts to the tax base
- c. Job creation (which leads to other benefits)
- d. General public benefits (I.E. libraries, parks, event and senior centers, etc.)
- e. Infrastructure that will generate or facilitate any combination of the above (I.E. roads, utilities, public parking, etc.)

5. "Staff's" recommendation of denial is predicated on:

- a. The city will receive no income from the proposed project(s), and
- b. The City will be at risk for potential due diligence costs.

Proposals which include private for-profit development on municipal land should consider payment(s) or consideration to the city for use of the land. However, it is illogical for a City to burden costs to public infrastructure by applying land cost fees to the infrastructure.

The City should evaluate and recognize other income and/or benefits from infrastructural projects on municipal land.

As related to the City being at risk under our MOU, the city is only at risk if it does not move forward with any portion of the overall projects with our team.

6. The process

- a. The original legal and other requirements bound to parcels 4 and 5 were nullified when the Edwards – Silver Hills Agreement expired on March 31, 2021.
- b. City council selected this team based on the vision, suggested projects, and what these projects could mean to the city and citizens. Our suggested processes were fully described in our proposal and in further meetings.
- c. When we submitted our MOU, we assumed we would negotiate and include specific terms beneficial and needed by the city, with City officials. This process did not occur.
- d. In absence of those negotiations and meetings, we offer the following items for City Council consideration and inclusion within our MOU.
 - i. Our proposed projects (parking, convention etc. space, and income specific housing) are mutually exclusive items. We propose that each is evaluated independently with focus on parking needs. This allows City Council to understand parking needs and that opportunity first.
 - ii. The MOU process would be divided into 3 phases with not-to-exceed costs applied to each Phase. At the conclusion of each Phase, the City Council will review the information and decide to approve moving to the next Phase. If at the conclusion of any Phase the City Council terminates the process, the City will only be liable for costs to date and the City will retain all due diligence materials.
 - Phase One – investigations with citizens, stakeholders, and others to ascertain general interest and specific needs for the proposed projects.

- Phase Two – preliminary master planning, budgeting, and other materials relative to establishing a refined understanding of the overall projects.
- Phase Three – finalized master planning, budgeting, programming, and contract documents outlining the full project and next steps.