



Hawkshaw Proposal

May 15, 2017

Fred Gunther, CCIM

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Tab 3 – Offer

May 15, 2017

Ms. DeeDee Davis, SIOR
NAI Halford
24 W. Chase Street
Pensacola, Florida 32502

Re: Hawkshaw RFP

Ms. Davis,

I am pleased to submit this response to the above referenced request for proposal on behalf of Galveztown, LLC, a Florida Limited Liability Company, comprised of me (Fred Gunther) and The Myers Group, Inc., which is solely owned by my brother, Brad Myers. We have been investing in properties in this area for years and are now focusing on projects which we see as opportunities for community building within the City. Galveztown, LLC is currently redeveloping the former YMCA site at 400 N. Palafox Street into a mix of commercial and residential uses. I have enjoyed working successfully with the City of Pensacola since 2005, when I partnered with local architect, Scott Sallis, in response to an RFP issued by the City to redevelop a vacant parcel near City Hall. The result was the development of the Lofts on Intendencia, a workforce housing project located downtown at the Northeast corner of Reus and Intendencia Streets. The townhomes were completed on time, sold for the agreed upon price range of \$162,500 to \$175,000 and were all delivered to individuals meeting the City of Pensacola's required income restrictions. The units are located within the City's Urban Core CRA and continue to generate approximately \$6,000 in ad valorem tax revenue annually.

Another project within the City of which I am proud, is the redevelopment of three contributing structures in the downtown Historic District which sat neglected for many years, located at 503, 507 and 509 E. Government Street. I purchased these buildings in 2015, along with local business partners, and we invested an additional \$400,000 renovating and expanding the structures. The buildings are located in the City's Urban Core CRA and generate over \$6,000 in ad valorem tax revenue annually. The building at 503 E. Government serves as the offices for Gunther Properties and Dalrymple Sallis Architecture.

In addition to Gunther Properties, the development team for this proposal also includes the following development consultants, advisors and lenders:

Dalrymple|Sallis Architecture, LLC

Rebol-Battle & Associates, LLC - Civil Engineers

Jay Brindley, Scott Covell, Sanjiv Kapur, James and Jennifer Waters - Consultants

ServisFirst Bank

Tab 3 – Offer

We are offering to pay \$2,000,000 for the property with the development to be phased so payment in full will be made within 3 years from approval. At least 34 residential units totaling over 50,000 square feet, as well as over 6,000 square feet of commercial space, will be completed within seven years. As the property is developed, subdivided and sold, the City of Pensacola Community Redevelopment Agency (CRA) would receive 125% of the price paid per square foot for the entire parcel, until the entire amount owed is satisfied. For example, if half the parcel is developed and sold initially, the CRA would receive \$1,250,000 towards the amount owed of \$2,000,000 at that time. We estimate the assessment for 56,000 square feet of improvements developed on the site will be at least \$180/square foot or approximately \$10,000,000. This should result in new annual ad valorem tax revenues of over \$150,000 per year. The design of this mixed use development will be modern, with all of the buildings being three stories or less. We believe a design with this scale will be perfect for connecting the modern features of the Gulf Power building to the nearby Aragon development and Historic District. Gunther Properties, LLC, which is designated as a SBE with the City of Pensacola, will handle the marketing of the development. More details regarding my experience can be found at www.guntherproperties.com/success-stories. All requested site plans, parking configurations, conceptual elevations, etc. will be provided to the CRA for review and approval within thirty days from acceptance of the proposal. In addition, any member of the development team will have the option to exercise a right to participate in the project as a principal prior to execution of a contract with the CRA.

Alternatively, if the CRA prefers to close quickly, we are willing to pay \$1,600,000 for the property with only a 90 day due diligence period and a 30 day close thereafter (within 120 days from project approval), but it would have to be a simple sale of the land only with no special conditions or requirements imposed on the property other than the GRD zoning requirements. Both proposals require the City ensures access to the North side of the block via Colfax Street and to the South side of the block via Romana Street. In addition, any required retention will flow to the retention area at Admiral Mason Park rather than be provided on site.

We appreciate your time and consideration and are excited to have the opportunity to partner with the CRA in this endeavor.

Sincerely,



Fred Gunther, CCIM

Tab 4 – SBE Certification



FINANCIAL SERVICES
PURCHASING

June 21, 2016

Fred Gunther
Gunther Properties, LLC
503 East Government Street
Pensacola, FL 32502

Dear Mr. Gunther:

Please be advised that your company has been approved for the City of Pensacola's Small Business Enterprise program. Your company's name will appear in the City's Small Business Directory. This certification remains valid for five years from the date of this letter, and you will be notified when re-certification is due.

The City appreciates your participation in the SBE program and its procurement efforts. If you have any questions in this matter, or if your contact information changes, please contact me at 435-1835.

Sincerely,

A handwritten signature in blue ink that reads "Rebecca Donahue".

Rebecca Donahue
Administrative Officer I

Tab 5 – Expression of Interest

Hawkshaw Development Opportunity
Request for Proposal
Deadline Submission: May 15, 2017

Galveztown, LLC hereby expresses an interest in pursuing opportunities to develop 2.2 acres in the 100 S 9th Avenue Block of Pensacola, Florida, otherwise known as "Hawkshaw."

Project Overview: shall be based on Hawkshaw Urban Design Guidelines. Please go to <http://www.cityofpensacola.com/documentcenter/view/6626>

Proposals (3 hard copies and one electronic version) are due by 5:00 pm CST on May 15, 2017.

Please return this Proposal to

Attention: DeeDee Davis, SIOR
NAI Halford
24 W. Chase Street
Pensacola, Florida 32502

Tab 5 – Authorized Representative

Authorized Representative: Fred Gunther

Title: Manager

Date: 5/15/17

Evaluation committee will recommend one preferred proposal to CRA for consideration. The CRA reserves the right to accept or reject any or all proposals.

The vicinity of southern 9th Avenue and the subject property is envisioned to be developed as a walkable, urban mixed-use corridor. The CRA seeks a high-density residential or mixed use Project. Proposers are advised to conduct necessary research, beyond re-view of these documents, to establish existing conditions of this property and to properly understand the requirements of its redevelopment including but not limited to the Hawkshaw Urban Design Guidelines.

No Known Environmental Conditions

The CRA is not aware of unusual existing regulated environmental conditions that could render development of this site infeasible. A reasonable due-diligence period will be in effect between selection of the successful proposer and contract closing.

Note: Upon the publication of any solicitation for sealed bids, requests for proposals, requests for proposals, requests for qualifications, or other solicitation of interest or invitation to negotiate by any authorized representative of the City of Pensacola or the Community Redevelopment Agency, City Council, any party interested in submitting a bid, proposal, or other response reflecting an interest in participating in the purchasing or contracting process shall be prohibited from engaging in any communication pertaining to formal solicitations with any member of the Community Redevelopment Agency Board or any member of a selection/evaluation committee for RFPs, whether in person, by mail, or by electronic communications until such time as the CRA has completed all action with respect to the solicitation.

Additionally, any material submitted in response to the RFP will become a public document pursuant to Florida Statute 119.07. All proposal forms must be submitted in a sealed envelope and be signed by an authorized representative of the Proposer.

