

NOTICE OF INTENT TO DISPOSE PROPOSAL REQUIREMENTS AND NEGOTIATION CRITERIA

The City and its Community Redevelopment Agency (CRA), (jointly, "City"), is seeking the following from proposers associated with 101 W. Main Street, Pensacola Florida (Property).

Interested parties who wish to be considered for this opportunity must submit a narrative proposal to the City no later than 06/13/2024 at 5:00 PM local time. The narrative proposal shall provide a brief overview of the proposed development program and the development team composition and qualifications as it relates to the City's vision for the project, as outlined in the Request for Letters of Interest (RLOI) issued on 2/16/2024. Please note, parties who have already responded to the RLOI need not resubmit a proposal for consideration.

The City may consider any qualified party making a proposal by 06/13/2024 at 5:00 PM local time for further negotiation. Parties invited for further negotiation will be expected to provide the following final detail no later than 8/12/2024 at 5:00 PM (60 days after the proposal close date).

Questions, proposals and all submitted materials shall be addressed and submitted in writing to: reddevelopment@cityofpensacola.com.

Please note, the City shall have the authority to take any action determined by the City to be in its best interest or to take no action. Receipt and acknowledgement of any proposals or further detail required for negotiation does not imply or provide the interested party with any right or interest in the property.

Development Entity

Objective: The City is looking for a qualified developer or development team to undertake the planning, permitting/entitlement, and development of the Property. Conveyance of the property is anticipated to be by long term land lease.

Requirements:

- A final detailed summary of the developer's experience in the acquisition and development of vertical mixed-use projects similar to the vision for the Property, as defined in the Request for Letters of Interest (RLOI) issued on February 16, 2024.
- A brief description of up to 3 most comparable projects that the developer has successfully developed. Provide the name, address, photographs, references. Also include the timing of development from the submittal of design/plans to governing agency through receipt of Certificate of Occupancy (CO).
- Identify the Developer's master planner, architect, engineer, contractor and/or other independent professionals for the project (as applicable) and confirm the commitment of proposed team members in the form of a letter signed by an authorized executive of each respective company.

- Provide up to 3 comparable projects undertaken by each professional. Note for which projects the professional consultants and contractors provided the services on behalf of the developer.
- Brief bios of key team members shall also be submitted along with the information above.

Development Program and Intent

Objective: The City is seeking to understand the Developer's intended use, mix and nature of the Proposal, and market-based support for key performance and operating metrics.

Requirements:

- A final narrative and graphic summary of their development intent for the Property to include conceptual plans, elevations, renderings, etc. Anticipated square footage per use, residential units and/or hotel rooms, as well as number of stories and estimated parking counts shall also be identified. Developers should include as part of their team *experienced* master planners/urban designers and/or architects to ensure that proposed site plans and architectural designs integrate with the existing Downtown Pensacola context.
- Narrative and/or graphic illustration site amenities geared at enhancing mobility and activating street-fronts, through retail, restaurant, or other similar uses, as well as locations for proposed on-site and off-site parking (including structured parking).
- Market-based data supporting demand and feasibility for the proposed development program, as well as, estimated rental rates/sales prices for the development program.

Marketing Experience, Approach, and Management for Project

Objective: The City is looking for Developers and/or management/leasing team members who have broad experience marketing projects of a similar scale and profile.

Requirements:

- A narrative summary of the marketing and management approach and brief bios of the key team members who will oversee the marketing and management effort.
- Developers must demonstrate significant experience in the marketing and management of a regional retail site and/or mixed-use development of comparable size and scale. The City desires to understand the underlying marketing approach, vision, and management approach that the developer views for this site.

Project Timing

Objective: The City desires that the Property be developed as soon as possible, consistent with market realities, requirements for entitlements, work necessary to create a satisfactory market setting, the conveyance schedule, etc.

Requirements:

- A proposed Project Schedule that outlines timing finalize conveyance, entitlement acquisitions, obtaining regulatory approvals (e.g. site planning, permitting, etc.) and construction, at a minimum. The project schedule shall identify any proposed sequence of phasing.

Financial Requirements

Objective: The City is seeking a Developer with a financial history and capacity to carry out the project consistent with the project schedule.

Requirements:

- Developers are required to provide sufficient evidence that it has, or can secure within a reasonable amount of time, the necessary financial resources to complete the proposed project in a timely fashion and provide long term financial support to the project after built.

Evidence can take the form of the developer's audited or compiled financial statements (signed by an authorized executive of the Development company), signed letters from banks or equity sources with verifiable funds to complete the project on letterhead which detail their experience in working with the developer on similar sized or larger projects and willingness to consider funding the Property subject to successful negotiations and due diligence.

101 W. Main Street Lease and Financial Proforma

Objective: The City is interested in obtaining the optimal development for the Property. The City is seeking to maximize the return on its acquisition investment in the Property.

Requirement:

- A 5- to 10-year proforma analysis from the period of site control. The proforma analysis shall include construction/permanent financing assumptions, as well as Developer's proposed equity contribution. The proforma shall also include industry standard operating budget inclusive of estimated real property taxes.
- Submittal of an annual base ground lease payment for the Property based upon the development program. Ground lease payment will be adjusted over the life of the lease but must be adjusted by CPI or some reasonable methodology which approximates the rate of inflation. As noted in the

evaluation criteria below, while price will be a factor in selecting the developer, it will not be the controlling factor.

EVALUATION PROCESS AND PRIORITIES

A. Evaluation Criteria

For qualified parties invited for further negotiation, the City will evaluate the merits of each proposed development program and its respective development team relative to each other, as well as, relative to alternate means of fulfilling its objectives for the Property.

A technical review will be performed and submittals evaluated using the following criteria. The review will be referred to City administration for further consideration. The City administration will recommend a development partner to the City of Pensacola Community Redevelopment Agency and/or City Council for final approval. As noted below, adequate experience and capability, which shall be determined at the sole discretion of the City, to successfully undertake the proposed project is a minimum standard which shall be met before any other criterion is considered:

- **Capability of the Proposer and Development Team and Readiness to Proceed.** Primary focus shall be on the experience, qualifications, and financial capability of the proposer (and financial partner, if any is identified and to the extent firmly committed) considering: track record of securing financing for (or itself financing) and developing projects of comparable nature and comparable or greater scale and of high quality in terms of their use and architecture; evidence of retail leasing, management and operating experience; evidence of financing relationships and interest in the proposed project; other information indicating the proposer's financial capacity which it chooses to provide at this stage; reputation in the industry for competence and integrity; and successful public-private development experience, if any. The capability and track record for high quality design of the architect/design team will also be considered. Note that a proposer whose qualifications and financial capacity are not considered adequate to successfully undertake the project will not be considered regardless of its merits on other criteria. Assuming adequacy of qualifications, relative qualifications and capacity will be considered a comparative criterion weighed along with the other criterion.
- **Extent to which the Proposed 101 W. Main Street Development Concept Meets the City's Goals.** This would include the proposed project's ability to: 1.) provide the desired mix of uses envisioned for the property, as well as establish design criteria that is compatible with existing Downtown Pensacola uses; 2.) be feasible and delivered in a timely manner, considering likelihood and timing of securing approvals and being market and financially feasible; and, 3.) generate any other direct or clearly identifiable revenues to the City from the project.
- **Experience Leasing, Managing and Operating Uses Similar to Those Proposed.** This demonstrates the Proposer's ability to lease, manage and operate mixed-use properties comparable to the proposed development, including: marketing strategies; residential and commercial property

leasing and management experience; and, residential and commercial property operation and maintenance.

- **Financial Return to City.** This would include the revenue and fiscal benefits accruing to the City (and CRA) as a result of the project, including but not limited to, proposed land lease fees and property tax generation. It should be noted that, although lease revenue generated by the Property is an important evaluation criterion, the City is not obligated to negotiate with the developer who proposes the highest lease fee to the City.