



City of
PALMETTO
Florida

CRA Advisory Board Meeting

Thursday, December 14, 2023 at 2:30 pm

516 8th Avenue West Palmetto, FL 34221

941.723.4570 www.palmettofl.org

CRA ADVISORY BOARD MEMBERS

- Lynn Daniel, Chair
- David Washington, Vice Chair
- Herman Cadena

Anyone wishing to speak before the CRA Advisory Board must complete the Speakers Card prior to the meeting, stating name, address and topic to be addressed. Speakers making public comment will be sworn-in. All comments will be limited to two minutes.

Call to order, followed by a moment of silence and the Pledge of Allegiance.

Swearing-in of all persons intending to address CRA Advisory Board.

1. CRA ADVISORY BOARD AGENDA APPROVAL

ACTION REQUEST: Motion to approve the December 14th, 2023 CRA Advisory Board Agenda.

2. PUBLIC COMMENT

Public Comment: Comments shall be limited to two minutes. Matters shall be limited to non-public hearing items on the current agenda or items related to City matters requested under a future CRA Advisory Board agenda, if appropriate.

3. AGREEMENT OF PURCHASE AND SALE BETWEEN THE CRA AND STADLER DEVELOPMENT CORP. FOR THE NORTHWEST CORNER OF 8TH AVENUE WEST AND RIVERSIDE DRIVE (THE RIVERSIDE PROPERTY) (E. JOHNSON & LEGAL)

ACTION REQUEST: Motion to request the CRA Board to approve the Agreement for Purchase and Sale between the Palmetto Community Redevelopment Agency and Stadler Development Corp., as presented by staff.

Attachments:

- **Point Paper** (STADLERCRA_SALE_AGREEMENT_RIV.pdf)

4. SIGHT DEVELOPMENT, LLC INCREMENT REIMBURSEMENT AGREEMENT (E. JOHNSON & LEGAL)

ACTION REQUEST: I move to have the CRA Board approve the Increment Reimbursement Agreement for Sight Development, LLC in the amount not-to-exceed \$10,000,000.00 with a payout period of fifteen (15) years.

Attachments:

- **Point Paper** (Point_Paper.pdf)

5. ADJOURNMENT

If any person desires to appeal any decision of the City Commission, CRA Board, or of any board of the City, that person will need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based (FS 286.0105).

The City of Palmetto does not discriminate on the basis of race, color, national origin, sex religion, age, marital status or handicapped status in employment or in the provision of services.

Handicapped individuals may receive special accommodation in services on forty-eight hours notice (FS 286.26). Anyone requiring reasonable accommodation for this meeting as provided for in the American with Disabilities Act should contact the City Clerk by telephone at 941-723-4570, fax 941-723-4570 or email jfreeman@palmettofl.org or cbailey@palmettofl.org.

Contact: Jim Freeman (jfreeman@palmettofl.org 941-723-4570) | Agenda published on 12/08/2023 at 3:52 PM



Palmetto Community Redevelopment Agency Agenda Item

**Meeting
Date:**

December 18,
2023

Presenter: Ed Johnson, Mark
Barnebey and Ryan
Harris and/or
Marisa Powers

Department: Community Redevelopment Agency

Title: CONSIDERATION OF AGREEMENT OF PURCHASE AND SALE BETWEEN THE PALMETTO COMMUNITY REDEVELOPMENT AGENCY AND THE STADLER DEVELOPMENT CORP. FOR THE NORTHWEST CORNER OF 8TH AVENUE AND RIVERSIDE DRIVE (THE RIVERSIDE PROPERTY)

Background: On May 15, 2023, the Commission selected the Apogee project for the redevelopment of the northwest corner of 8th Avenue West and Riverside Drive as the top ranked proposal. The project involved mixed-use development with multi-family development, a minimum of 15,000 square feet of non-residential and neighborhood commercial uses (including, but not limited to, restaurants and 21 boat slips). The purchase price is \$2,950,000.00. Apogee set up a separate corporation, the Stadler Development Corp., as the entity to move forward with the project. Stadler has similar principles as Apogee.

Discussion: The proposed contract, which has been the subject of significant negotiation, is attached. Here is a summary of some key features of the contract.

- Purchase price of \$2,950,000.00
- Due Diligence period of 180 days, after which Stadler will begin submitting applications for rezoning to Planned Development Mixed Use and General Development Plan approval, and a Tax Incentive Reimbursement Agreement (collectively "Applications"). If the City does not approve the application within a 180-day period, Stadler may terminate the contract.
- Closing will be within 35 days from the Final Approvals on the Applications, or not less than 18 months after the effective date of the contract.
- The initial deposit is \$50,000.00. After due diligence, the deposit is increased by an additional \$100,000.00.

Most of the terms are standard contract provisions. The initial deposit amount is a bit smaller than normal for a purchase of this size and the due diligence period is longer than normal. However, Stadler has explained that it is working with surrounding property owners to provide a single Comprehensive Master Development Plan for the entire block and expenses related to those efforts and negotiations have resulted in a smaller initial deposit and a longer due diligence period.

**Budget
Amount:**

N/A

**Budget
Page:**

N/A

**Available
Amount:**

N/A

**Expenditure
Amount:**

N/A

Additional Budget Information:

Additional budget will be incorporated into operating budget upon completion of project.

Funding Source(s):	N/A	Sufficient Funds Available:	☒	Yes	Budget Amendment:	☒	Yes	Sources:	CRA Budgets
				No			No		

City Attorney reviewed:	☒	Yes	Advisory Board Recommendation	☐	For	Consistent With:	☒	Yes	CRA Plan
		No			Against			No	
		N/A			N/A			N/A	

Potential Motion/Direction Requested:

I move to approve the Agreement for Purchase and Sale between the Palmetto Community Redevelopment Agency and Stadler Development Corp., as presented by staff.

Attachments:

Proposed Contract

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT OF PURCHASE AND SALE (the "**Agreement**") is by and between **THE PALMETTO COMMUNITY REDEVELOPMENT AGENCY**, a public body corporate and politic (hereinafter called the "**Seller**") and **STADLER DEVELOPMENT CORP.**, a Florida corporation (hereinafter called the "**Purchaser**").

ARTICLE 1

Definitions

Section 1.1 As used in this Agreement, unless the context otherwise requires or it is otherwise herein expressly provided, the following terms, when used with initial capital letters, shall have the following meanings:

"CLOSING": The consummation of the transaction contemplated by this Agreement.

"CLOSING DATE": Shall mean thirty-five (35) days after the satisfaction of conditions set forth in Section 6.4 and receipt of Final Approval (as defined below), unless otherwise extended pursuant to this Agreement. Notwithstanding the foregoing, in no event shall the Closing Date exceed eighteen (18) months following the Effective Date.

"DUE DILIGENCE PERIOD": Shall mean a period of one hundred eighty (180) days after the Effective Date.

"EFFECTIVE DATE": Shall mean the date when the last one of Seller and Purchaser has executed and delivered this Agreement to the other party, and the Agreement has been approved by the Seller and the City of Palmetto as provided in Section 12.15 hereof.

"ESCROW AGENT": Vogler Ashton, PLLC, 705 10th Avenue West, Unit 103, Palmetto, Florida 34221.

"FINAL APPROVAL": Purchaser's receipt of a final and non-appealable general development plan approval for the Project.

"REAL ESTATE": The real property described on **Exhibit A** attached hereto, including all buildings and other improvements located thereon.

"PROJECT": Shall mean a multi-story, mixed use development project to include a minimum of 15,000 square feet of non-residential and neighborhood commercial uses (including, but not limited to, restaurants), multifamily residential uses, and a minimum of twenty one (21) boat slips, and generally consistent with the design renderings submitted with the proposal to the CRA Board (as defined in Section 12.15 of this Agreement).

"PROPERTY": Collectively, the Real Estate and all of Seller's rights and interests in and to (a) all strips and gores of land lying adjacent to the Real Estate, lands underlying any adjacent streets or roads, easements, privileges, rights-of-way, riparian and other water rights, and other appurtenances pertaining to or accruing to the benefit of the Real Estate; (b) all fixtures, equipment, furnishings and items of personal property currently

located on the Real Estate owned by Seller; (c) all licenses, permits, authorizations, water and sanitary sewer and utility capacity allocable to the Real Estate, and approvals pertaining to the ownership and/or operation of the Real Estate, if any; (d) all product and service warranties, and guaranties, owned by Seller against third parties; (e) to the extent in Seller's possession, third party produced surveys, and engineering reports, in each case to the extent same relates to the ownership, or operation of the Real Estate; and (f) all Tenant Leases, if applicable.

"TITLE COMPANY": Vogler Ashton, PLLC, Edward Vogler II, Esq. as agent for Old Republic National Title Insurance Company.

ARTICLE 2 Sale and Purchase

Section 2.1 Subject to the terms and provisions hereof, the Seller agrees to sell to the Purchaser, and the Purchaser agrees to purchase from the Seller, the Property.

ARTICLE 3 Consideration for Conveyance

Section 3.1 Subject to the terms, conditions and provisions herein contained, Purchaser agrees to pay, and Seller agrees to accept, as consideration for the conveyance of the Property, TWO MILLION NINE HUNDRED FIFTY THOUSAND and 00/100 Dollars, (\$2,950,000.00) (the "**Purchase Price**"). The Purchase Price shall be paid in U.S. cash by immediately available wired funds at Closing and the Earnest Money, if any, shall be applied towards the Purchase Price.

Section 3.2 Contemporaneously with the execution of this Agreement, Purchaser hereby delivers to Seller and Seller hereby acknowledges the delivery of a check in the amount of TEN AND 00/100 DOLLARS (\$10.00) ("**Independent Agreement Consideration**"), which amount the parties bargained for and agreed to as consideration for the Seller's grant to Purchaser of Purchaser's exclusive right to purchase the Property pursuant to the terms hereof and for Seller's execution, delivery and performance of this Agreement. This Independent Agreement Consideration is in addition to and independent of any other consideration or payment provided in this Agreement, non-refundable under any circumstances, and shall be retained by Seller notwithstanding any other provisions of this Agreement. The Independent Agreement Consideration shall be credited to the Purchase Price at Closing.

Section 3.4 If either Seller or Purchaser wish to enter into a like-kind exchange (either simultaneous with Closing or deferred) with respect to the Property under Section 1031 of the Internal Revenue Code ("**Exchange**"), the other party shall cooperate in all reasonable respects to effectuate the Exchange, including the execution of documents; provided (1) the cooperating party shall not be obligated to take fee simple title to any Exchange property; (2) incur no liability or expense related to the Exchange, and (3) the Closing shall not be contingent upon, nor extended or delayed by, such Exchange.

ARTICLE 4 Earnest Money

Section 4.1 Prior to the close of business on the second (2nd) business day

after the Effective Date, Purchaser shall deliver the amount of Fifty Thousand and 00/100 Dollars (\$50,000.00) (the "Initial Earnest Money") to the Escrow Agent. If Purchaser does not terminate this Agreement on or before expiration of the Due Diligence Period, the Initial Earnest Money shall become non-refundable except in the event of Seller default or as otherwise provided herein. Further, if the Purchaser does not terminate this Agreement on or before expiration of the Due Diligence Period, Purchaser shall, prior to close of business on the second (2nd) business day following the expiration of the Due Diligence Period, deliver to Escrow Agent an additional earnest money deposit in the amount of One Hundred Thousand and 00/100 Dollars (\$100,000.00) (the "Additional Earnest Money"). Except in the event of Seller default or as otherwise provided herein, the Additional Earnest Money shall become non-refundable upon the City's (as defined in Section 6.4(a) below) approval of the rezoning and GDP (as defined in Section 6.4(b) below) applications submitted by Purchaser. The Initial Earnest Money and the Additional Earnest Money are collectively referred to herein as the "Earnest Money". At Closing, the Earnest Money shall all be applied to the Purchase Price.

ARTICLE 5

Title and Survey Matters

Section 5.1 Title

(a) Condition of Title. At Closing, Seller shall convey the Real Estate by good and marketable title to Purchaser by means of a Special Warranty Deed in recordable form conveying the Real Estate to Purchaser free and clear of all claims, liens and encumbrances, except those Permitted Exceptions set forth in Paragraph 5.1(b).

(b) Evidence of Title. Within thirty five (35) days after the Effective Date, Purchaser, at Purchaser's sole cost and expense, shall obtain an owner's ALTA commitment for title insurance (the "**Commitment**") from the Title Company agreeing to issue an Owner's ALTA Title Insurance Policy in the amount of the Purchase Price (the "**Policy**") insuring Purchaser's title to the Real Estate effective as of the Closing Date. The Commitment shall be accompanied by copies of all documents referenced therein, including but not limited to, the exceptions to coverage.

The evidence of title shall show Seller to be vested with good and marketable title to the Property, subject only to the following (the "**Permitted Exceptions**"): (1) non-delinquent ad valorem real estate taxes for the year, if applicable, in which the Closing Date occurs and subsequent years, a lien not yet due and payable; (2) applicable zoning ordinances and regulations; (3) encroachments, overlaps, boundary line disputes, and any other matters which would be disclosed by an accurate survey and inspection of the Real Estate, unless a current Survey as described in Paragraph 5.2 is provided to the Title Company; and (4) any other matters reflected in the Title Commitment or survey approved or deemed approved by Purchaser (excluding these matters timely objected to by the Purchaser that remain uncured unless waived by Purchaser as set forth below).

Purchaser shall have ten (10) business days from receipt of the Commitment and Survey (as hereinafter described) to examine same (the "**Title Examination Period**"). If Purchaser objects to any matters disclosed by the Commitment or Survey, Purchaser shall, within the Title Examination Period, notify Seller in writing, specifying such objections (the "**Purchaser's Objection Notice**"). Seller shall, within ten

(10) days of its receipt of Purchaser's Objection Notice, advise Purchaser in writing ("**Seller's Response**") which objections, if any, it shall cure or cause to be cured prior to the Closing. Seller has no obligation to cure any title objections, except that Seller shall in all events be obligated to cause to be released on or before Closing: (i) all monetary liens filed against the Real Estate, (ii) all items Seller agrees to cure in the Seller's Response, and (iii) any exceptions to title created by Seller and not reflected on the Commitment. If, in Seller's Response, Seller declines to cure any items (other than items (i) through (iii) listed above) to which Purchaser objected in Purchaser's Objection Notice, Purchaser shall be entitled to: A) terminate this Agreement; provided, however, Purchaser must exercise such right no later than ten (10) days after Purchaser's receipt of Seller's Response, or (B) Purchaser may proceed with the transaction as provided herein without reduction of the Purchase Price and such title matters shall be deemed Permitted Exceptions.

Section 5.2 Survey. Within ten (10) days prior to the expiration of the Due Diligence Period, Purchaser may obtain, at Purchaser's sole cost and expense, a current and accurate survey (the "**Survey**") of the Real Estate, certified to Purchaser, Title Company and Seller and in a form acceptable to the Title Company as a basis for deleting the standard title insurance exceptions for survey matters. If Purchaser objects to any matters disclosed on the Survey, including, but not limited to, any encroachments on setback lines or easements or that the Real Estate violates any restrictions or covenants or any matter that would appear as a specific title insurance exception, Purchaser shall, within the time period set forth in Paragraph 5.1(b) above, give written notice of such objection to Seller, in which event, such objection shall be governed in the same manner and time as objections to title are dealt with in Paragraph 5.1(b), and the parties shall have the same rights, privileges and obligations as if the objection was an objection to title as specified in Paragraph 5.1(b) of this Agreement.

ARTICLE 6

Seller Deliveries, Representations and Closing Conditions

Section 6.1 Within five (5) business days after the Effective Date, Seller shall furnish to Purchaser the following: copies of any surveys, soil reports, hydrological reports, environmental reports, title reports and exceptions, engineering plans, permits, leases, service contracts, licenses and any other information pertaining to the Property in Seller's possession or control (collectively, the "**Due Diligence Items**").

Section 6.2 Seller represents and warrants to Purchaser, as of the date hereof, and as of the Closing Date, that the individual executing this Agreement on behalf of Seller has the right, power and authority to execute this Agreement on behalf of Seller, and Seller has the right, power and authority to convey the Property in accordance with the terms of this Agreement.

Section 6.3 From the Effective Date until the Closing Date or earlier termination of this Agreement, Seller shall not sell, assign, or convey any right, title, or interest whatsoever in or to the Property or create or permit to exist any lien, encumbrance, assessment, or charge thereon without promptly discharging the same.

Section 6.4 Purchaser's obligation to purchase the Property at Closing and to pay the Purchase Price is expressly conditioned upon receipt of Final Approval of Purchaser's submittals set forth in Section 6.4(a-b) below (unless waived by Purchaser).

If Purchaser timely submits the rezoning and GDP applications to the City and does not receive Final Approval at the Closing, and provided Purchaser is not in default of the terms of this Agreement, Purchaser may terminate this Agreement and, as its sole remedy, receive a refund of Purchaser's Earnest Money, whereupon this Agreement shall be null and void and of no further force or effect whatsoever.

(a) Within thirty (30) days following expiration of the Due Diligence Period, Purchaser shall submit rezoning and general development plan ("GDP") applications for the Project to the City of Palmetto (the "City") for review and processing pursuant to the Palmetto Code of Ordinances. The rezoning application shall request the Property to be rezoned to Planned Development Mixed Use by action of the City. The GDP shall, among other things, (i) contain uses that are substantially consistent with the Project; (ii) permit a maximum number of dwelling units not to exceed the maximums allowed under the comprehensive plan; (iii) include an artist rendering of building elevations and site improvements for the Project; and (iv) shall identify how the Project will be designed to incorporate climate resiliency and mitigation construction standards for buildings and site improvements. The GDP may request reduced setbacks along public rights of way to allow for the integration of non-residential uses such as restaurants to interact with adjacent public spaces. The GDP shall include street parking spaces on 9th Avenue West, as shown on Purchaser's plan submitted to the City. Purchaser acknowledges and agrees that the construction of said street parking spaces shall be at the sole cost and expense of Purchaser. Purchaser acknowledges and agrees that the filing of the applications for rezoning and GDP, does not, in any way, assure that the rezoning or GDP applications will be approved.

(b) Within thirty (30) days following expiration of the Due Diligence Period, Purchaser shall apply to the CRA Board (as defined in Section 12.15) for a Tax Increment Reimbursement Incentive, wherein such application shall include a project summary financial pro forma. Prior to the end of the Due Diligence Period, Purchaser and Seller shall negotiate in good faith and enter into an incentive agreement (the "CRA Incentive Agreement") that will allow reimbursement in a maximum of eighty percent (80%) of the annual tax increment generated by the Project, as calculated in accordance with Section 163.387, Florida Statutes, up to the first fifteen (15) years after issuance of a final certificate of occupancy for the Project and the Palmetto Community Redevelopment Agency (the "CRA") receives the first collected tax increment. The CRA Incentive Agreement will generally provide that, after the issuance of a final certificate of occupancy for the Project and the CRA receives the first collected tax increment, the CRA shall make reimbursement payments ("Reimbursement Payments") to Purchaser on October 1st of each year (only up to the first fifteen (15) years after issuance of a final certificate of occupancy for the Project and the CRA receives the first collected tax increment). Purchaser acknowledges and agrees that this Section 6.4(c) does not in any way assure the CRA Incentive Agreement will be approved by Purchaser or Seller. If Purchaser and Seller do not enter the CRA Incentive Agreement prior to the expiration of the Due Diligence Period, Purchaser may terminate this Agreement.

(c) If the City has not approved Purchaser's rezoning and GDP applications within one hundred and eighty (180) days from the date Purchaser submits the rezoning and GDP applications to the City, Purchaser may terminate this agreement, upon which termination the Earnest Money shall be returned to Purchaser. In the event the City requires Purchaser to amend or re-submit the rezoning or GDP applications to the City, Purchaser shall amend or re-submit such rezoning or GDP applications to the

City within thirty (30) days from Purchaser's receipt of written notice from the City to amend or re-submit the rezoning or GDP applications. If Purchaser does not submit applications as set forth in Sections 6.4(a) and (b) herein, then the City may terminate this agreement and, upon such termination, the Earnest Money shall be retained by the Seller.

ARTICLE 7 Inspection Rights and Property Condition

Section 7.1 Purchaser shall have a period of one hundred eighty (180) days after the Effective Date (the "**Due Diligence Period**"), within which to make all inspections or investigations of the Property desired by Purchaser. If, at any time prior to the expiration of the Due Diligence Period, Purchaser is not satisfied with the result of the inspections, in its sole discretion, or for any other reason or no reason whatsoever, Purchaser shall have the right to terminate this Agreement by written notice to Seller and Escrow Agent by 5:00 PM EST on the last day of the Due Diligence Period. Seller agrees that from the Effective Date hereof until the Expiration of the Due Diligence Period, Purchaser, personally or through its authorized agents or representatives, and at its sole cost and expense, shall be entitled, after scheduling such inspections with Seller at least two (2) days in advance, to enter upon the Property to conduct such reasonable physical, economic and environmental inspections, interviews with tenants, independent appraisals, and other tests, examinations and studies of the Property as Purchaser desires, including, but not limited to, inspections of the Property at reasonable times so long as such activities do not interfere with or damage the Property. Notwithstanding the foregoing, Purchaser must obtain Seller's prior written approval of the scope and method of any environmental testing or investigation (other than a Phase I environmental inspection) and any inspection which would materially alter the physical condition of the Property, prior to Purchaser's commencement of such inspections or testing. Seller and its representatives, agents, and/or contractors shall have the right to be present during any such testing, investigation, or inspection. Additionally, Purchaser must, with respect to any intrusive inspection or test obtain Seller's prior written consent (which consent shall not be unreasonably withheld), prior to performing any inspection or test. Provided however, nothing contained in this paragraph shall limit Purchaser's ability to conduct subsurface soils and compaction testing. Further, Purchaser must deliver (unless waived by Seller) a certificate of insurance to Seller evidencing that Purchaser and its contractors, agents and representatives have in place reasonable amounts of comprehensive general liability insurance and workers compensation insurance for its activities on the Property in terms and amounts reasonably satisfactory to Seller covering any accident arising in connection with the presence of Purchaser, its contractors, agents and representatives on the Property, which insurance shall name Seller as an additional insured thereunder. Purchaser shall indemnify and hold Seller harmless from and against any and all claims, demands, injuries, damages, costs, expenses, liens (including reasonable attorney's fees, including but not limited to, attorney's fees incurred in enforcement in this indemnity) or liability incurred by or asserted against Seller as a result of, or in any way arising out of, any of those visits or inspections unless caused by the willful misconduct or gross negligence of Seller. This indemnity shall survive any termination of this Agreement or Closing for a period of one (1) year.

Section 7.2 "As Is, Where Is".

Accordingly, Purchaser agrees that except as expressly set forth in this Agreement, the Property is being acquired by Purchaser on an "AS IS" AND "WITH ALL

DEFECTS" basis and "WITH ALL FAULTS" existing as of the Closing Date. Purchaser acknowledges that it will be acquiring the Property on the basis of its own investigations. Except as expressly set forth in this Agreement, no representations or warranties have been made or are made and no responsibility has been or is assumed by Seller or by any officer, person, firm, agent or representative acting or purporting to act on behalf of the Seller as to condition or repair of the Property or the value, expense of operation, or income potential thereof, the reliability of any information furnished to Purchaser or as to any other fact or condition which has or might affect the Property or the condition, repair, value, expense of operation or income potential of the Property or any portion thereof. Purchaser hereby expressly releases the Seller Group (hereinafter defined) from any and all claims, losses, proceedings, damages, causes of action, liability, costs or expenses (including attorneys' fees) arising from, in connection with or caused by (a) Purchaser's reliance upon any of the Property information or statements, representations or assertions contained therein, or (b) inaccuracy, incompleteness or unreliability of any of the Property information, except for the representations and covenants expressly set forth in this Agreement. Except with respect to a breach by Seller of any representation, warranty or covenant expressly contained herein, Purchaser hereby waives, releases and forever discharges Seller, any affiliate of Seller and any beneficiary, trustee, manager, partner, shareholder, officer, director, employee, agent or person acting on behalf of Seller or such affiliate of Seller (the "**Seller Group**") of and from any and all claims, actions, causes of action, demands, rights, damages, liabilities and costs whatsoever, direct or indirect, known or unknown, which Purchaser now has or which may arise in the future, against the Seller Group related in any way to the physical condition of the Property; and Purchaser (on behalf of itself and its successors and assigns as owners of the Property) hereby agrees not to assert any claim for contribution, cost, recovery or otherwise against Seller Group relating directly or indirectly to the physical condition of the Property including, without limitation, the existence of oil, lead paint, lead, radon, asbestos, mold, or hazardous materials or substances on, or the environmental condition of, the Property, whether known or unknown. The parties agree that all understandings and agreements heretofore made between them or their respective agents or representatives are merged in this Agreement and the Exhibits hereto annexed, which alone fully and completely express their agreement, and that this Agreement has been entered into with the parties satisfied with the opportunity afforded for investigation, neither party relying upon any statement or representation by the other unless such statement or representation is expressly set forth in this Agreement or Exhibits annexed hereto. Purchaser acknowledges that Seller has given or the Agreement provides Purchaser the opportunity to inspect fully the Property and investigate all matters relevant thereto, and, by Seller to Purchaser, to rely solely upon the results of Purchaser's own inspections or other information obtained or otherwise available to Purchaser, provided that the foregoing shall not diminish Purchaser's rights with respect to any representations or warranties expressly made by Seller in this Agreement. The provisions of this Article 7.2 shall survive closing.

ARTICLE 8 Condemnation

Section 8.1 In the event of a taking by condemnation or similar proceedings or actions of any portion of the Property, Purchaser shall have the option to terminate this Agreement upon written notice to Seller within ten (10) business days after notice of the commencement of condemnation or similar proceedings, upon which termination (i) the Earnest Money shall be returned to Purchaser. If Purchaser does not exercise its option under the immediately preceding sentence of this Section to terminate this Agreement,

then the Agreement shall remain in full force and effect and Seller shall assign or pay to Purchaser at Closing, Seller's entire interest in and to any and all condemnation awards or proceeds from any such proceedings or actions in lieu thereof.

ARTICLE 9 Closing

Section 9.1 The Closing hereunder shall take place at the offices of the Title Company, on the Closing Date. It is contemplated that this will be a "mail away" Closing.

Section 9.2 At the Closing, Seller shall deliver or cause to be delivered to Purchaser each of the following items, all in form agreed to by the parties:

(a) A Special Warranty Deed in proper recordable form, duly executed and acknowledged by Seller, and conveying to Purchaser fee simple absolute ownership of the Real Estate free and clear of all liens, encumbrances except for the Permitted Exceptions.

(b) Such evidence or documents as may be reasonably required by Purchaser or the Title Company evidencing the status and capacity of Seller and the authority of the person or persons who are executing the various documents on behalf of the Seller in connection with the sale of the Property.

(c) A duly executed Non-Foreign Affidavit and Non-Foreign Person Affidavit, if required by law.

(d) A duly executed customary Lien and Possession Affidavit as required by the Title Company.

(e) A duly executed Closing Statement.

Section 9.3 At the Closing, Purchaser shall deliver to Seller the following:

(a) The Purchase Price.

(b) Such evidence or documents as may reasonably be required by the Seller or the Title Company evidencing the status and capacity of Purchaser and the authority of the person or persons who are executing the various documents on behalf of the Purchaser in connection with the purchase of the Property.

(c) A duly executed Closing Statement.

Section 9.4 At Closing, general and special assessments for real estate taxes, if any, and utility charges and other operating expenses shall be adjusted or prorated between Seller and Purchaser. Provided however, ratified and confirmed special assessments for improvements to be completed prior to Closing shall be paid by Seller. For purposes of calculating prorations, the Closing Date shall go to the Purchaser. All such prorations shall be made on the basis of the actual number of days of the year and month which shall have elapsed as of the Closing Date. To the extent not ascertainable on the Closing Date, the amount of such prorations shall be adjusted in cash after Closing as and when complete and accurate information becomes available. Seller and Purchaser agree

to cooperate and use their diligent and good faith efforts to make such adjustments no later than thirty (30) days after such information becomes available. Items of income and expense for the period prior to the Closing Date will be for the account of Seller and items of income and expense for the period on and after the Closing Date will be for the account of Purchaser.

(a) In accordance with Section 196.99, Florida Statutes, Seller is exempt from payment of real, personal, and intangible taxes and, therefore, there shall be no proration of the current year's real, personal, and intangible property taxes, if any, for the Property. The Parties acknowledge and agree that Purchaser shall be responsible for taxes that may be assessed on the Property for the portion of the tax year following the Closing Date.

(b) Seller shall credit against the Purchase Price all condemnation proceeds or awards as required by Section 8.1 hereof.

In the event any adjustments pursuant to this Section 9.4 are, subsequent to Closing, found to be erroneous, then either party thereto who is entitled to additional Monies shall invoice the other party for such additional amounts as may be owing, and, upon approval by the other party, such amount shall be paid within ten (10) days from receipt of the invoice.

The foregoing provisions of this Section 9.4 shall survive the Closing of the sale contemplated hereby.

Section 9.5 Closing Costs

(a) Seller shall pay the following Closing Costs:

1. The documentary stamp tax on the deed;
2. The real estate commission set forth in Section 10.1
3. Cost of recording any correcting instruments for title;
4. Seller's attorneys' fees.

(b) Purchaser shall pay the following Closing Costs:

1. Purchaser's attorneys' fees;
2. All costs of Purchaser's inspections;
3. Cost of recording of the deed;
4. The cost of obtaining and issuing standard coverage for the Commitment and Policy;
5. The Survey; and
6. All other closing costs and costs in connection with any

financing obtained by Purchaser, including loan title policies and endorsements.

Section 9.6 This Agreement, and the rights, and obligations hereunder, may only be assigned by Purchaser to an entity directly or indirectly controlled by Purchaser. No other assignment shall be permitted. Upon written notice to Seller of such assignment, and the assignee's agreement in writing to fulfill all of Purchaser's obligations under this Agreement, the Purchaser named in this Agreement shall thereafter be released from all liability arising under this Agreement.

ARTICLE 10 **Real Estate Commission**

Section 10.1 Purchaser and Seller each represent and warrant to the other that there are no real estate brokers, salesman or finders involved in this transaction other than SVN Commercial Advisory Group ("SVN"), who shall receive a commission at Closing subject to a separate agreement between SVN and Seller and a separate agreement between SVN and Purchaser. Seller and Purchaser agree to indemnify, protect, defend and hold each other harmless against and with respect to any obligation, liability or claim of liability based in any way on any contracts, arrangements or understandings claimed to have been made or actually made by Seller or Purchaser, as the case may be, with any third party as to the sale of the Property.

ARTICLE 11 **Remedies of Default**

Section 11.1 In the event of a default by Seller of any of the provisions contained herein, and such default continues for thirty (30) days after written notice of such default from Purchaser to Seller, then, Purchaser may elect, at its option, as its sole and exclusive remedy, (a) to terminate this Agreement and the Earnest Money shall be returned to Purchaser by the Escrow Agent, or (b) to enforce specific performance hereunder against Seller.

Section 11.2 In the event of a default by Purchaser of any of the provisions contained herein, and such default continues for thirty (30) days after written notice of such default from Seller to Purchaser, Seller may terminate this Agreement and, as Seller's sole and exclusive remedy and relief, the Earnest Money shall be paid to the Seller by the Escrow Agent as liquidated damages for the Purchaser's default. Such amount is agreed upon by and between the Seller and the Purchaser as liquidated damages, due to the difficulty and inconvenience of ascertaining and measuring actual damages, and the uncertainty thereof.

ARTICLE 12 **Miscellaneous**

Section 12.1 All notices, demand, or other communications of any type (herein collectively referred to as "Notices") given by the Seller to the Purchaser or by the Purchaser to the Seller, whether required by this Agreement or in any way related to the transaction contracted for herein, shall be void and of no effect unless given in accordance with the provisions of this Article 12. All notices shall be in writing and delivered to the

person to whom the notice is directed, either by person, by facsimile, by email, by nationally recognized overnight courier, or by United States Mail, as registered or certified item, return receipt requested. Notices delivered by facsimile or email shall be effective upon the day sent before 5:00 pm EST provided an electronic confirmation of receipt of the facsimile or email is received. Notices delivered by overnight courier shall be effective one (1) business day after deposit with the courier. Notices delivered by mail shall be effective when deposited in a post office other depository under the care of custody of the United States Postal Service, enclosed in wrapper with proper postage affixed and addressed. Notices may be sent or received by the attorneys for Purchaser and/or Seller on behalf of such party. Notice addresses are as follows:

Seller: The Palmetto Community Redevelopment Agency
324 8th Ave., Suite 103
Palmetto, Florida 34221
Attn.: Director
Fax: (941) 723-4704
Email:

With a copy to: Blalock Walters, P.A.
802 11th St. W.
Bradenton, FL 34205
Attn.: Mark P. Barnebey, Esq. and Ryan T. Harris, Esq.
Email: mbarnebey@blalockwalters.com
rharris@blalockwalters.com

Purchaser: Stadler Development Corp.
1260 81st Street South
St. Petersburg, FL 33707
Attn: John Stadler, President
Email: john@stadlerdev.com

With a copy to: Vogler Ashton, PLLC
705 10th Avenue West Unit 103
Palmetto, Florida 34221
Attn: Edward Vogler II, Esq.
Email: edvogler@voglerashton.com

Section 12.2 This Agreement shall be construed and interpreted in accordance with the laws of the State of Florida and the obligations of the parties hereto are and venue for any dispute shall be performed in Manatee County, Florida. Where required for proper interpretation, words in singular shall include the plural, the masculine gender shall include the neuter and the feminine, and vice versa. The terms "heirs, executors, administrators and assigns" shall include "successors, legal representatives and assigns."

Section 12.3 This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and permitted assigns. This Agreement may not be modified or amended, except by an agreement in writing signed by the Seller and the Purchaser. The parties may waive any of the conditions contained herein or any of the obligations of the other party hereunder, but any such waiver shall be effective only if in writing and signed by the party waiving such conditions or obligations.

Section 12.4 In the event it becomes necessary for either party hereto to file a suit to enforce this Agreement or any provisions contained herein, the party prevailing in such action shall be entitled to recover, in addition to all other remedies or damages, reasonable attorneys' fees and court costs, including appellate costs, incurred in such suit.

Section 12.5 The descriptive heading of the several Articles, Sections and Paragraphs contained in this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 12.6 This Agreement, including the Exhibits, constitutes the entire agreement among the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreement and understanding of the parties in connection therewith. No representation, warranty, covenant, agreement or condition not expressed in this Agreement shall be binding upon the parties hereto or shall affect or be effective to interpret, change or restrict the provisions of this Agreement.

Section 12.7 Multiple originals of this Agreement may be executed by the parties hereto. Each such executed original shall have the full force and effect of an original executed instrument. This Agreement may be executed in multiple counterparts, all of which when taken together shall constitute one and the same agreement. It shall not be necessary that the signature of all parties appear on the same counterpart, so long as each party signs at least one counterpart. Signature pages sent by email or facsimile shall be considered as originals.

Section 12.8 Unless otherwise specified, in computing any period of time described in this Agreement, the day of the act or event after which the designated period of time begins to run is not to be included, and the last day of the period so computed is to be included, unless such last day is a Saturday, Sunday or legal holiday under the laws of the State of Florida, in which event the period shall run until the end of the next day which is neither a Saturday, Sunday or legal holiday. The final day of any such period shall be deemed to end at 5:00 PM EST. Time is of the essence of this Agreement with regard to the Closing Date. Notwithstanding the foregoing, in the event a hurricane warning has been issued such that the Property is located in an area where the projected land fall is within the NOAA cone of probability within two (2) days of the Closing, the parties agree to delay the Closing for up to seven (7) days at the request of either party. Additionally, if Purchaser is unable to obtain Hazard, Wind, Flood, or Homeowner's insurance due to extreme weather conditions, Purchaser may delay Closing for up to five (5) days after such coverage becomes available.

Section 12.9 If any term or provision of this Agreement which would not deprive the parties of the benefit of the bargain shall be held to be invalid, illegal, unenforceable or inoperative as a matter of law, the remaining terms and provision of this Agreement shall not be affected thereby, but each such remaining term and provision shall be valid and shall remain in full force and effect.

Section 12.10 Each party hereto acknowledges that each of them has had the benefit of legal counsel of its own choice and has been afforded an opportunity to review this Agreement with its legal counsel and that this Agreement has been jointly drafted and shall be construed as having been jointly drafted by each party hereto. Accordingly, the rule of construction to the effect that ambiguities are to be resolved against the drafting

party shall not be employed in the interpretation of this Agreement of any amendments or exhibits hereto.

Section 12.11 In addition to the acts and deeds recited herein and contemplated to be performed, executed and/or delivered by Seller and Purchaser, both Seller and Purchaser hereby agree to perform, execute and/or deliver or cause to be performed, executed and/or delivered at the Closing or after the Closing, such further acts, deeds and assurances as the other party hereto may reasonably require to (a) evidence and vest in Purchaser the ownership of, and title to, all of the Property in accordance with the terms hereof, and (b) consummate the transactions contemplated hereunder.

Section 12.12 RADON NOTICE. RADON IS A NATURALLY OCCURRING RADIOACTIVE GAS THAT WHEN IT HAS ACCUMULATED IN A BUILDING IN SUFFICIENT QUANTITIES, MAY PRESENT HEALTH RISKS TO PERSONS WHO ARE EXPOSED TO IT OVER TIME. LEVELS OF RADON THAT EXCEED FEDERAL AND STATE GUIDELINES HAVE BEEN FOUND IN BUILDINGS IN FLORIDA. ADDITIONAL INFORMATION REGARDING RADON AND RADON TESTING MAY BE OBTAINED FROM YOUR COUNTY HEALTH DEPARTMENT.

Section 12.13 Escrow Provisions. The Earnest Money delivered to Escrow Agent pursuant to this Agreement shall be: (i) held by it in trust in a non-interest-bearing account in a federally insured banking institution upon receipt by the Escrow Agent of Purchaser's Federal Tax Identification Number and execution of appropriate and customary W-9 form incident to establishing the interest-bearing escrow, and (ii) disbursed, subject to clearance thereof, in accordance with the terms and provisions of this Agreement. Failure of clearance of funds shall not excuse Purchaser's performance hereunder. Any interest earned on the Earnest Money shall be paid or credited to Purchaser, except in the event of a default by Purchaser, in which event the interest shall be disbursed, together with the Earnest Money, as liquidated damages in accordance with the default provisions of this Agreement. If there is any dispute as to whether Escrow Agent is obligated to deliver the Earnest Money or to whom the Earnest Money is to be delivered, Escrow Agent shall not be obligated to make any delivery, but, in such event, may hold the Earnest Money until the receipt by the Escrow Agent of an authorization, in writing, signed by the Seller and Purchaser, directing the disposition of the Earnest Money, such writing also acknowledging to Escrow Agent that there are no other parties having an interest in such dispute. In the absence of such authorization, Escrow Agent may hold the Earnest Money until the final determination of the rights of the parties in an appropriate proceeding. If such written authorization is not given or proceeding for such determination not begun and diligently continued, Escrow Agent may bring an appropriate action or proceeding for leave to place the Earnest Money with an appropriate court with jurisdiction. Escrow Agent shall not be responsible for any acts or omissions unless negligently or willfully done, and upon making delivery of the Earnest Money in accordance with the terms of this Agreement, Escrow Agent shall have no further liability. In the event Escrow Agent places the Earnest Money in the registry of the Circuit Court and files an action of interpleader naming the parties hereto, Escrow Agent shall be released and relieved from any and all further obligation and liability hereunder or in connection herewith. Seller acknowledges that Escrow Agent is legal counsel to Purchaser and agrees that, in the event of any dispute between Seller and Purchaser, Escrow Agent may continue to represent Purchaser in connection with the dispute, notwithstanding Escrow Agent's role under this Agreement.

12.14 Right to Repurchase. Purchaser and Seller hereby acknowledge and agree

that in the event that the Purchaser does not commence construction on the Property within three (3) years from the Closing Date (the "Right to Repurchase Date"), Seller shall have the right to repurchase the Property for the repurchase price of the lesser of (i) the Purchase Price as defined in this Agreement, or (ii) the appraised value of the Property at the time of repurchase. If Seller elects to repurchase the Property, Seller shall select the closing/title agent, Purchaser shall pay all closing costs, and Purchaser will provide Seller with a prorated real estate tax credit. Seller shall have one hundred and eighty (180) days following the Right to Repurchase Date to exercise this right by delivering to Purchaser written notice of its intent to repurchase the Property. The Parties agree to execute and record at Closing a Notice of Right to Repurchase in the Manatee County Public Records.

12.15 Approval by The Palmetto Community Redevelopment Agency and the City.

The Agreement is entered subject to approval by the Board of the Palmetto Community Redevelopment Agency (the "CRA Board") and the City Commission on or before December 20, 2023. Should the CRA Board or City Commission fail to approve the Agreement by December 20, 2023, the Agreement shall be deemed terminated and Purchaser's Earnest Money shall be returned to Purchaser. Purchaser acknowledges and agrees that approval of the business terms of this Agreement by the CRA Board and the City Commission does not in any way assure that the rezone, GDP, comprehensive plan applications will be approved.

12.16 Public Disclosure Affidavit. If requested by Seller, and not less than ten (10) days prior to the Closing Date, Purchaser shall disclose in writing to Seller, under oath and subject to the penalties of perjury, the name and address of every person having a beneficial interest in the Purchaser. Purchaser shall provide Seller with any further documentation as may be required by law to complete the transaction at the time of Closing.

12.17 Waiver of Trial by Jury. Seller and Purchaser waive the right to trial by jury in any action or proceeding based upon or related to the subject matter of this Agreement.

12.18 Time of Essence. Time is of the essence in all respects under this Agreement.

[Signatures on Next Page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by its duly authorized representatives as of the dates below:

SELLER:

**THE PALMETTO COMMUNITY
REDEVELOPEMNT AGENCY,**
a public body corporate and politic

By: _____

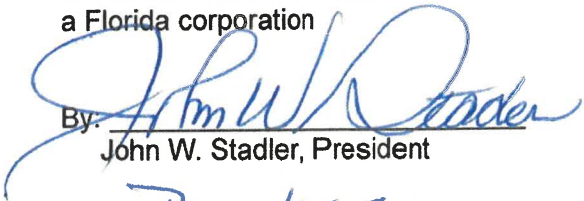
Name: _____

Its: _____

Date: _____, 2023

PURCHASER:

STADLER DEVELOPMENT CORP.,
a Florida corporation

By:  _____

John W. Stadler, President

Date: December 5, 2023

Exhibit A
LEGAL DESCRIPTION

PARCEL 1: 3115000006:

Parcel A:

Begin 70 yards West and 82 and 1/2 yards South of the NE corner of Lot 2, U.S. of Fractional Section 23, Township 34 South, Range 17 East, thence West 70 yards, South 27 and 1/2 yards, East 70 yards, North 27 and 1/2 yards to the Point of Beginning. LESS the South 12 and 1/2 feet and LESS the East 22 feet thereof.

Parcel B:

The South 12 and 1/2 feet of the following described Parcel: Begin 70 yards West and 82 and 1/2 yards South of the NE corner of Lot 2, U.S. of Fractional Section 23, Township 34 South, Range 17 East, thence West 70 yards, South 27 and 1/2 yards, East 70 yards, North 27 and 1/2 yards to the Point of Beginning. LESS the East 22 feet thereof.

PARCEL 2: 3113800059:

Begin 70 yards South of the NE corner of Lot 2, of Fractional Section 23, Township 34 South, Range 17 East, Manatee County, Florida; thence West 70 yards, thence South 35 yards, thence East 70 yards, thence North 35 yards to the POINT OF BEGINNING.

ALSO: Begin 105 yards South of the SE corner of SW 1/4 of Section 14, Township 34 South, Range 17 East, Manatee County, Florida; thence West 70 yards; thence South 35 yards; thence East 70 yards; thence North 35 yards to the POINT OF BEGINNING;

Together with that certain 5 foot strip of land contiguous thereto and described as: Beginning 210 feet West and 330 feet South of the NE corner of US Lot 2 in Section 23, Township 34 South, Range 17 East, Manatee County, Florida; thence go West 5 feet; thence go South 90 feet; thence East 5 feet; thence North 90 feet to the POINT OF BEGINNING;

ALSO: Beginning 70 yards West and 82 1/2 yards south of the NE corner of Lot 2, of Fractional Section 23, Township 34 South, Range 17 East, Manatee County, Florida, and running thence West 22 feet; thence South 27 1/2 yards ; thence East 22 feet; thence North 27 1/2 yards to the POINT OF BEGINNING.

PARCEL 3: 3115600003:

All that certain tract or parcel of land situated in the city of Palmetto, county of MANATEE, state of FLORIDA, with a physical address of 301 – 8th Avenue, and more particularly described as follows:

Commence at the Northeast corner of the NW ¼ Section 23, Township 34 South, Range 17 East, Manatee County, Florida; thence South along the East line of said NW ¼, Section 23, being the center line of 8th Avenue (U.S. 41), 656.45 feet; thence West 30.0 feet to a railroad spike at the NW corner of the intersection of said 8th Avenue and Riverside Drive for the point of beginning, said point being shown on the recorded Plat of Green Bridge, as recorded in Plat Book 6 page 79, of the Public Records of Manatee County, Florida; thence North 87° 50' 00" West 174.80 feet to an iron pipe; thence North 00° 04' 55" East, 227.32 feet to an iron pipe lying 10 feet, more or less, East of a fence corner; thence North 89° 50' 55" East, 175.0 feet to an iron pipe on the West Right-of-Way line of said 8th Avenue; thence South along said r/w line, 234.40 feet to the point of beginning, LESS that part taken by Order of Taking recorded in Official Records Book 1070 page 2408 of the Public Records of Manatee County, Florida.

PARCEL 4: 3117300008:

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10, Block H, of LAMB'S FRACTIONAL SUBDIVISION, as per Plat thereof recorded in Plat Book 1, Page 164, of the Public Records of Manatee County, Florida.



Palmetto Community Redevelopment Agency Agenda Item

**Meeting
Date:**

December 14th,
2023

Presenter: Ed Johnson, Interim
CRA Director & Mark
Barnebey, Legal
Counsel

Department: Community Redevelopment Agency

Title: Multi-Family Unit Improvement and Increment Reimbursement Agreement

Sight Development, LLC, a Florida limited liability company is under contract to purchase the former Heartland Grove Fertilizer site located at 917 11th Avenue West, Palmetto. Sight Development, LLC intends to construct 204 residential apartment units in accordance with the Amended PD Plan approved on December 19, 2022, by the City Commission. As part of the development of this project, Sight Development, LLC is seeking a Tax Increment Reimbursement Incentive from the City of Palmetto CRA to assist in the financing of the project, to eliminate what has been a blighted area, and to generate growth within the commercial core of the city.

The City of Palmetto is in critical need of for-rent housing as a result of substantial population growth over the last three years and increasing mortgage rates, making home ownership unaffordable for a growing number of residents. The project will create 204 new for-rent residential units with the projected rental rates for each unit falling below 120% of the Area Median Income (AMI) with an average rental rate of 105% of AMI. This project will serve the City for Palmetto's commercial district, an area with historically limited for-rent housing options. Not only will the proposed development help to alleviate the housing shortage, but it will have a substantial and positive impact on economic activity in the City of Palmetto. However, and as further detailed below, without the approval of the Tax Increment Reimbursement Incentive, the project is not anywhere near financially feasible. The total construction and project costs for the project exceed \$20,000,000.00, thus qualifying the project for the City's CRA Tax Increment Reimbursement Incentive. The applicant is requesting a total reimbursement of 80% of the annual tax increment generated by the project with a payout period of fifteen (15) years. As further explained in the attached submittals, the incentive requested by the applicant is necessary for the viability of the project as the project falls significantly short of meeting investor expectations for a multifamily project in this market.

The project meets the CRA's goal to remove and/or hinder Slum and/or Blighted areas through private sector investment in development/redevelopment projects and satisfies the goal and intent criteria of the City of Palmetto's Tax Increment Reimbursement Incentive Program Guidelines.

**Budget
Amount:**

**Budget
Page:**

N/A

**Available
Amount:**

N/A

**Expenditure
Amount:**

N/A

**Additional Budget
Information:**

Additional budget will be incorporated into operating budget upon completion of project.

Funding Source(s):	N/A	Sufficient Funds Available:	☒ Yes ☐ No	Budget Amendment:	☐ Yes ☐ No	Sources:	CRA Budgets
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City Attorney reviewed:	☒ Yes ☐ No ☐ N/A	Advisory Board Recommendation	☐ For ☐ Against ☐ N/A	Consistent With:	☒ Yes ☐ No ☐ N/A	CRA Plan
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Potential Motion/Direction Requested:

Motion to approve the Increment Reimbursement Agreement for Sight Development, LLC in the amount not-to-exceed \$10,000,000.00 with a payout period of fifteen (15) years.

Attachments:

Incentive Spreadsheet, years 2025-2041
10/09/2023 Market Study
Agreement isn't available but will be provided prior to meeting.



Entreken Associates, Inc.

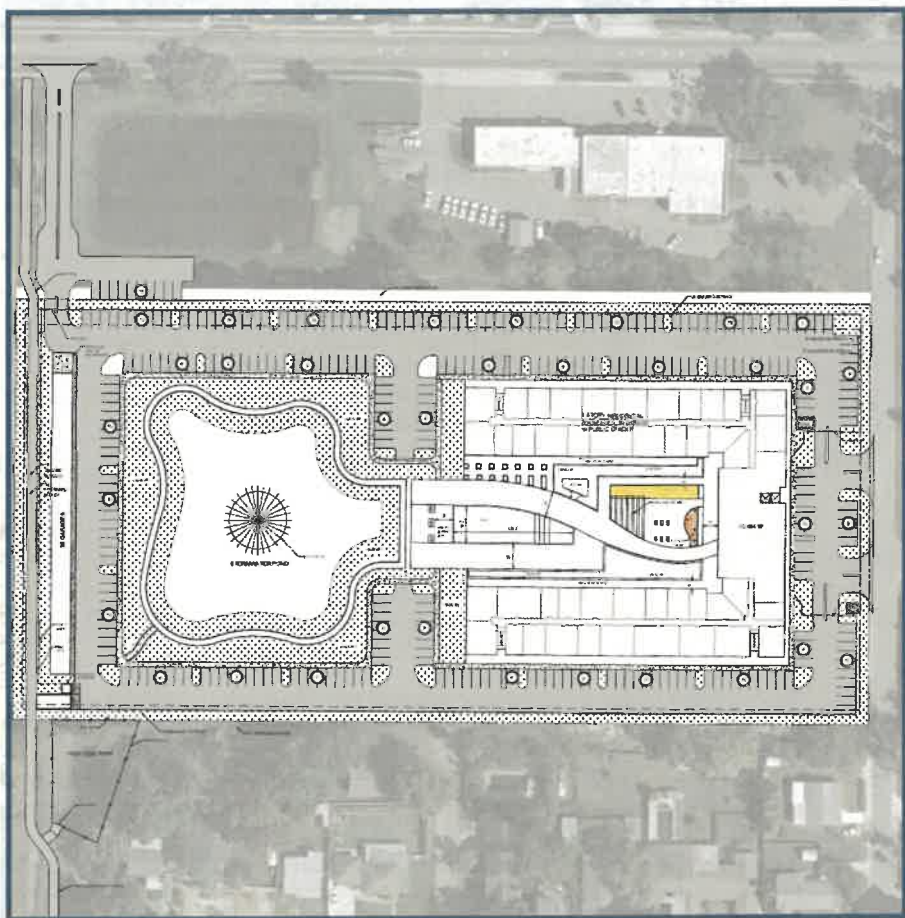
Real Estate Appraisal & Advisory Services

Market Study

Heartland Grove

917 11th Ave W

Palmetto, Manatee County, Florida



Prepared By:

Entreken Associates, Inc.
1100 16th Street North
Saint Petersburg, Florida 33705

EAI File #: 20230267

Prepared For:

Mr. Michael Mincberg
Sight Development
1925 E 6th Ave
Tampa, FL 33605



October 9, 2023

Mr. Michael Mincberg
Sight Development
1925 E 6th Ave
Tampa, FL 33605

Re: Market Study
Heartland Grove
917 11th Ave W
Palmetto, FL 34221

Dear Mr. Mincberg:

As you requested, Entreken Associates, Inc. has prepared a market study report of the above-referenced property for the purpose of determining the economic impact of the project as of the effective date of value. The subject property is located on the west side of 11th Ave W, south of 10th St W in Palmetto, Florida. The subject property is two vacant parcels of land that are proposed to be developed with an apartment project. The subject property is identified by the Manatee County Property Appraiser as Parcel Number(s) 2707500050 and 2707900003. The subject site contains 359,781 square feet or 8.2594 acres of usable land area. The subject property is more fully described in the body of this report. To the best of our knowledge and belief, our analyses, opinions, and conclusions were developed, and this report has been prepared in conformance with the standards and reporting requirements set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), as promulgated by the Appraisal Standards Board of the Appraisal Foundation; the FDIC Market Value Definition; the Appraisal Institute's Code of Ethics and Standards of Professional Practice; Title XI of FIRREA, the Interagency Appraisal and Evaluation Guidelines; as well as our understanding of the appraisal guidelines of Sight Development.

The client of this report is Sight Development and the intended users of this report are Sight Development and the City of Palmetto. The intended use is to determine the economic impact of the project; to determine the market rental rates; to determine if the project as proposed, provides a financial return sufficient to entice development of the property; to determine if there is a need for additional funding such as Tax Increment Financing (TIF), Tax Increment Reimbursement, or other subsidies to entice development. No other use is intended or authorized by Entreken Associates, Inc. The scope of this assignment is restricted to the specific identified intended use and user noted above.

The purpose of this analysis is to provide an opinion of market feasibility for apartment units for the subject site, as of September 10, 2023. The analysis provides an opinion as to the market viability of apartment units.

The projected rental rates at an average of \$1,829 per unit per month and \$2.11 per square foot per month is within the range of the comparables and appear to be reasonable.

Based on the summarized findings of the Needs Analysis, it is our opinion the proposed project falls short of meeting investor expectations for a multifamily project in this market. As proposed, based on the proposed budget, a typical developer would not consider the project to be financially feasible. As illustrated, we have estimated the shortfall of this project to be \$20,200,000.

Finally, based on the analysis performed consistent with the proposed project characteristics, cost, and location, the total economic impact of the project from inception through the end of Year 8 of operations is \$150,403,468 with job support of 1,009 jobs.

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analyses, or if Entreken Associates, Inc., can be of additional service, please contact us.

Respectfully submitted,
Entreken Associates, Inc.



Wesley R. Sanders, MAI, AI-GRS, CCIM
Senior Managing Director
State-Certified General Real Estate Appraiser RZ2911
wsanders@eairealestate.com
727.256.8025

Tampa Bay Office
1100 16th St N, St. Petersburg, FL 33705
<http://eairealestate.com>

Market Value	\$	65,121,062
Estimated Taxable Value of New Project (80%) of Market Value	\$	52,336,850
Current Taxable Value	\$	1,206,302
TIF Incentive Rebate %		80%

Enter estimated values in yellow box above

SIGHT DEVELOPMENT, LLC

YEAR	PROPERTY VALUE (assumes 4% annual increase)		CITY MILLAGE (assumes no change)		COUNTY MILLAGE (assumes no change)		CITY TAX	COUNTY TAX	TOTAL TAX	CITY 5%	COUNTY 5%	CITY IR	COUNTY IR	Total CRA IR	CRA Incentive	Cuml CRA Incentive	CRA IR Remaining	Cuml CRA IR
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
	\$ 52,536,850	\$ 54,430,324	\$ 56,607,537	\$ 58,871,838	\$ 61,226,712	\$ 63,675,780	\$ 66,222,811	\$ 68,871,724	\$ 71,626,593	\$ 74,491,656	\$ 77,471,323	\$ 80,570,175	\$ 83,792,982	\$ 87,144,702	\$ 90,630,490	\$ 94,255,709	\$ 98,025,938	\$ 101,949,636
	\$ 1,206,302	\$ 1,206,302	\$ 1,206,302	\$ 1,206,302	\$ 1,206,302	\$ 1,206,302	\$ 1,206,302	\$ 1,206,302	\$ 1,206,302	\$ 1,206,302	\$ 1,206,302	\$ 1,206,302	\$ 1,206,302	\$ 1,206,302	\$ 1,206,302	\$ 1,206,302	\$ 1,206,302	\$ 1,206,302
	\$ 51,320,548	\$ 53,224,022	\$ 55,401,235	\$ 57,665,536	\$ 60,020,410	\$ 62,469,478	\$ 65,016,509	\$ 67,665,422	\$ 70,420,291	\$ 73,285,354	\$ 76,265,021	\$ 79,363,873	\$ 82,586,680	\$ 85,938,400	\$ 89,424,188	\$ 93,049,407	\$ 96,819,636	\$ 100,740,936
	\$ 305,101	\$ 317,593	\$ 330,585	\$ 344,096	\$ 358,148	\$ 372,762	\$ 387,960	\$ 403,766	\$ 420,205	\$ 437,301	\$ 455,081	\$ 473,572	\$ 492,803	\$ 512,803	\$ 533,603	\$ 555,235	\$ 577,732	\$ 601,438
	\$ 623,266	\$ 649,317	\$ 675,294	\$ 703,502	\$ 732,231	\$ 762,109	\$ 793,182	\$ 825,498	\$ 859,106	\$ 893,902	\$ 929,988	\$ 967,329	\$ 1,005,933	\$ 1,045,803	\$ 1,086,933	\$ 1,129,325	\$ 1,173,078	\$ 1,218,192
	\$ 15,934	\$ 16,586	\$ 17,265	\$ 17,970	\$ 18,704	\$ 19,467	\$ 20,261	\$ 21,087	\$ 21,945	\$ 22,838	\$ 23,766	\$ 24,732	\$ 25,736	\$ 26,781	\$ 27,867	\$ 28,997	\$ 30,172	\$ 31,392
	\$ 285,845	\$ 301,713	\$ 318,055	\$ 334,891	\$ 352,164	\$ 369,880	\$ 388,061	\$ 405,718	\$ 423,861	\$ 442,491	\$ 461,616	\$ 481,246	\$ 501,381	\$ 522,021	\$ 543,166	\$ 564,821	\$ 586,986	\$ 609,661
	\$ 302,742	\$ 315,138	\$ 328,029	\$ 341,436	\$ 355,379	\$ 369,880	\$ 384,961	\$ 400,645	\$ 416,956	\$ 433,920	\$ 451,563	\$ 469,911	\$ 488,993	\$ 508,839	\$ 529,478	\$ 550,943	\$ 573,266	\$ 596,553
	\$ 592,588	\$ 616,851	\$ 642,085	\$ 668,327	\$ 695,619	\$ 724,003	\$ 753,523	\$ 784,223	\$ 815,131	\$ 846,266	\$ 877,643	\$ 909,284	\$ 941,199	\$ 973,399	\$ 1,005,794	\$ 1,038,394	\$ 1,071,199	\$ 1,104,212
	\$ 474,071	\$ 493,481	\$ 513,668	\$ 534,662	\$ 556,496	\$ 579,203	\$ 602,818	\$ 627,378	\$ 652,931	\$ 679,485	\$ 707,112	\$ 735,844	\$ 765,725	\$ 796,801	\$ 829,121	\$ 862,733	\$ 897,690	\$ 933,001
	\$ 118,518	\$ 123,370	\$ 128,317	\$ 133,665	\$ 139,124	\$ 144,801	\$ 150,705	\$ 156,845	\$ 163,230	\$ 169,871	\$ 176,778	\$ 183,961	\$ 191,431	\$ 199,200	\$ 207,280	\$ 215,683	\$ 224,422	\$ 233,505