

THE COMMUNITY CONCEPTS GROUP, INC. & THE HENDRICKSON COMPANY

MEMORANDUM

To: Manatee County Finance Authority Board of Directors
 From: Susan J. Leigh and Mark Hendrickson, Financial Advisors
 Subject: Update on the Palmetto Senior Project
 Date: October 1, 2019

Background:

1. A preliminary analysis was provided at the February 12, 2019, Board meeting prior to receipt of a full application and this is a review of the completed application received on March 26, 2019.
2. The Board approved the project to move forward and a TEFRA hearing was held on May 28, 2019. The TEFRA and allocation was for \$26.0 million. The Board Adopted a resolution to request the allocation at the May 28, 2019. The Board of County Commissioners approved the TEFRA hearing on June 18, 2019. The allocation received at this point is \$6,265,362.20 of the \$26.0 million requested. Currently an additional \$19,734,637.80 is needed, and is expected in mid-November, 2019.
3. The Developer paid the \$150,000 Commitment Fee to the Authority and has continued to work through the various local government development and building required approvals.
4. The final approvals for Palmetto Planning and Zoning, were on the Agenda at their August 15, meeting and a positive recommendation went to the Palmetto City Council on August 26 for their final approvals.
5. The fully biddable plans will be at 90% in September and completed shortly after.
6. They are working on their final version of the agreement with SunTrust, which will finalize their structure.
- 7. The Board has not received a credit underwriting report yet in order to provide final approvals.**

B. Summary of the Proposed Development as originally presented

<i>Name</i>	Palmetto Senior
<i>Owner Entity*</i>	Palmetto Leased Housing Development I, LLC
<i>Developer/Location</i>	Dominium Development Plymouth, MN
<i>Type</i>	New Construction Mid-Rise
<i>Street Address</i>	705 Haben Boulevard Palmetto
<i>City Council District</i>	Ward 3 Brian Williams Commissioner
<i>Units</i>	224
<i>Bedrooms</i>	357
<i># of Buildings</i>	1 Building
<i># of Stories</i>	5 Stories
<i>Bond Request</i>	\$26,000,000 \$117,117/unit

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Total Cost	\$43,027,330
Cost Per Unit	\$193,816
Land Cost	\$2,100,000 \$9,459/unit
Acquisition of Building Cost	n/a
Hard Construction Cost	\$24,231,590.71 \$109,151/unit
General Contractor	TBD
Credit Enhancement	Long-Term Bonds/Freddie Mac structure
Set-Aside Period	20 years
Set-Aside Levels	100% at 60% or less

C. Current Situation:

1. The developer submitted a revised application which included the missing items and a request to increase their bond allocation request by \$5.0 million.
2. They have been feeding information to the underwriter as they have progressed and after the structure is finalized a full credit underwriting report will be provided to the Board
3. The Developer has requested additional allocation of up to \$5.0 million due to cost increases. The credit underwriter would have to incorporate the new numbers into their report. Further, an additional TEFRA hearing and Board of County Commissioners approval would be required to apply for allocation.
4. The Developer has indicated the increase in the bond amount is based on:
 - a. The construction costs have increased as they have developed firmer plans and specs from Florida Contractors
 - b. The increase in bond amount would account for a total development cost of approximately \$26,785 per unit

D. Recommendation

- **Adopt a revised inducement Resolution prepared by bond counsel which includes the revised Preliminary Agreement**