

THE COMMUNITY CONCEPTS GROUP, INC. & THE HENDRICKSON COMPANY

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**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: December 3, 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>	<b>Palmetto Senior</b>
<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. With the Board Approval for the requested increase in Bond Allocation, a TEFRA hearing was held and a Resolution for the increase was approved on consent agenda of the Board of County Commissioners November 19, 2019.
2. Counsel, Mark Mustian has filed the necessary paperwork with the Division of Bond finance to insure adequate allocation for the full project. In addition, a Validation has been filed to do the carryforward to secure the allocation into 2020.
3. The Developer has informed the Financial Advisors that due to an environmental issue (Arsenic from previous citrus groves) that they are attempting to extend the contract dates on the parcel.
4. In addition to the extension, the land owner must provide the authorization for the permitting authorities to do the necessary testing to determine the type of mitigation necessary and the cost of that solution. Under normal circumstances the solution is to “encapsulate” or remove dirt.
5. Until more information is available, the credit underwriting cannot be completed.
6. The Developer is confident that this will be resolved in favor of moving forward because this is the highest and best use for the parcel.

**D. Recommendation**

- **None at this time**