

July 21, 2005

To: Ralph Bosek

From: John Stainback

Re: **The Major Tasks to be Completed and Deal Points to be Negotiated Prior to Authorizing Unicorp to Begin Development of the Town Center**

The Temple Terrace City Council is scheduled soon to decide whether to select Unicorp as the developer for the proposed Town Center. SPPRE thought it would be helpful if members of the City Council could preview some of the major "Deal Points" to be negotiated and incorporated into the Development Agreement, as well as some of the major pre-development tasks to be completed. This should provide the Council with a certain level of comfort knowing that Unicorp would not be authorized to close on the property and proceed with development until these deal points were satisfactorily addressed and these tasks were completed.

Some of the Major Tasks (A) to be Completed and Deal Points (B) to be Negotiated

Selected Major Tasks (A):

1. In conjunction with SPPRE, Unicorp would organize each development phase into City projects and Unicorp projects.
2. Determine the most effective Development Phasing Plan from the perspective of both the City and Unicorp.
3. Complete a Total Development Budget, which includes the major hard and soft costs required to finance, design, develop and construct each development project.
4. Complete a 10-Year Proforma (Finance Model) for each phase building use included in the each development project, including within each phase ProForma a breakdown of each building use. Each ProForma would include a detailed description of all assumptions and financial measurements identified by SPPRE. Unicorp would provide an electronic version of each Proforma (Excel or Argus software) to SPPRE.
5. In conjunction with Unicorp, SPPRE will complete a Tax Revenue Analysis, which will project the Property and Sales Tax revenue generated by the commercial development in Years 1-30. In conjunction with City's Finance Director, SPPRE will determine the amount of TIF Bond that can be supported by the annual Property Tax.
6. Prepare a Summary Budget describing the cost of each City and Unicorp project.

7. In conjunction with SPPRE, develop a Public/Private Finance Plan, which describes how each City project will be financed.
8. SPPRE will prepare a City Investment Schedule, which will describe the amount of funds required and when these funds are required to be invested by the City.
9. Refine the Development Phasing Plan to reflect the results of the Finance Plan.
10. SPPRE will complete a “Financial Engineering” diagram explaining the sources of non-tax income and tax revenue to the City and the investment instrument used to finance the City projects.
11. Based on the results of Tasks 1-10, Unicorp would be required to obtain a firmer Letter of Intent for Financing the Phase 1 development.

Major Deal Points (B) to be Included in the Development Agreement:

1. Negotiate the exact responsibilities of the City and Unicorp to finance, design, develop, construct and operate the proposed public facilities and private commercial development
2. Clearly define ownership of projects, land, open space, etc. Equally important, we will clearly define operation and maintenance responsibilities.
3. Determine the most advantageous disposition of the City-owned properties.
4. Negotiate the City’s financial returns from their land investment.
5. Clearly define the collateral for Unicorp financing(s).
6. Describe the City’s Approval Rights throughout the pre-development, development and operational phases of a “prototypical” development project. These Approval Rights will provide the City with ample control over important aspects of the project. SPPRE uses 12 categories of Approval Rights for their Public Partner clients.
7. Describe the Financial and Development Safeguards provided to the City to protect from any “downside” resulting from the proposed commercial development.
8. Define Termination Rights of the City. Possibly structure a plan whereby Unicorp must achieve certain milestones on a pre-determined schedule or forfeit an “Earnest Money Deposit”.
9. Define conditions of default by Unicorp and the City.

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10. Address indemnification of City on site and adjoining infrastructure.
 11. Provide Unicorp with a Right-of-Entry.
 12. Assure the City that no encumbrances are permitted on City-owned land as a result of Unicorp work on the Project.