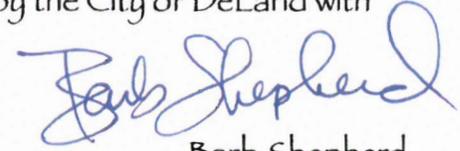


December 04, 2018

Please find herein our answers to the 12 questions posed by the City of DeLand with regard to Old Jail RFP 18-20. Thank you.



Barb Shepherd
President, Conrad Realty Co.

1. Provide detailed requests for City participation/incentives in the redevelopment of the sites including but not limited to asbestos abatement, building demolition and site clearing, infrastructure investment, off-site parking, permit and impact fee reductions and tax abatements. Also provide detailed benefits to be gained by the City as a result of providing said incentives/participation.

a. We are asking the City to pay for and perform all abatement of environmental hazards in the building and on the site, including but not limited to asbestos. **BENEFIT:** *Assists in managing risk to make private investment possible. Enables creative reuse of a building in a way that will provide significant contribution to Downtown DeLand's identity as a destination shopping experience.*

b. We are asking the City to pay for and perform demolition of the rear (southern) 1-story section of the building (nearest Georgia Avenue). This is approximately 2,296 SF of building. **BENEFIT:** *Clears space for creation of an attractive green space (mini-park) to be created at private expense that will be available for public enjoyment.*

c. We are asking the City to convey title to the Old Jail property (Parcel No. 7016 010 30030) and the parking lot on the south side of Georgia Avenue (Parcel No. 7016 010 30070) to Conrad Realty Co. (or a new entity created in partnership with Conrad Realty Co., for the purpose of the Old Jail reuse project). **BENEFIT:** *Makes possible an estimated \$3 million private investment in this property for the benefit of DeLand at large, resulting in a potential \$62,000 a year in new property taxes in one of the city's CRA districts, along with jobs for residents, sales-tax revenue, utilities income, and increased patronage of Downtown DeLand by locals and tourists.*

d. Given the number of plumbing fixtures

and connections extant in the Old Jail, compared to the far fewer fixtures and connections required by our redevelopment, we expect the City to find that no water-and-sewer impact fees are chargeable to the project. **BENEFIT:** *Is consistent with current City of DeLand procedures for development.*

e. We are anticipating the preservation of the parking lot(s) on the south side of Georgia Avenue for public parking until such time as a future project (redevelopment of the Fire Station site, for example) provides at least equivalent public parking in the neighborhood. Therefore, we are asking that the City provide maintenance of this public-parking area. **BENEFIT:** *Helps to ensure the successful operation of businesses in the vicinity, which, in turn, provides jobs and income to the City of DeLand.*

f. As our project creates no additional impervious land area and, in fact, increases pervious land area, we are anticipating that the City will determine no additional stormwater management is required as part of our development. **BENEFIT:** *Is consistent with current City of DeLand procedures for development.*

g. We anticipate that the City will regulate the Courthouse Marketplace portion of our development as one retail operation, not requiring construction of firewalls between each vendor, which will not be possible. **BENEFIT:** *Enables creation of a marketplace-style shopping destination consistent with those in*

many other cities, including East End Market in Audubon Park in Orlando and Plant Street Market in Winter Garden. These marketplaces significantly lower the entry price for entrepreneurship, thereby increasing diversity among business owners.

h. If it is determined that utility upgrades are needed for our development, we assume that those upgrades would be at the City's expense. **BENEFIT:** Utility upgrades will be accessible by all new development and customers in the vicinity.

i. Should our further detailed inspections of the property and/or requirements imposed by the City further constrain our financial projections, we anticipate that the City would be amenable to abating a portion of the property-tax burden. **BENEFIT:** Makes possible an estimated \$3 million private investment in this property for the benefit of DeLand at large, increasing the value of the City's CRA district, putting a large parcel back on the tax roll, and adding jobs for residents, sales-tax revenue, utilities income, and increased patronage of Downtown DeLand by locals and tourists.

2. Are there any perceived City constraints to implementing your proposal?

No.

3. Are there any other anticipated or perceived impediments or concerns related to the successful implementation of your proposal?

As with any redevelopment of an older building, it is possible that unexpected structural or geological constraints could become evident that would prevent implementation of our

proposal, or make it financially unfeasible. However, we don't anticipate this development, and would know within a short investigation period whether such a constraint exists.

4. What is your expectation for the City expediting the permitting process for your proposal? Please provide your expected timeline.

We have no need for nor expectation of any extraordinary expediting of our permits, beyond the City's reasonable customer service. All development projects that apply to the City of DeLand for permitting are important, and all deserve equally expeditious consideration.

Our updated timeline is as follows, and assumes two to three months for issuance of building permits:

This schedule assumes, for example, that selection is made and schedule begins Jan. 1, 2019:

• January-March 2019 — Further detailed inspections by Conrad Realty Co.

• March-July 2019 — Demolition of south one-story section by City of DeLand; hazardous-materials abatement by City of DeLand

Transfer ownership of property
Final financing arrangements by Conrad Realty Co.

Consideration of contractor(s) by Conrad Realty Co.

• July-September 2019 — Selection of contractor(s) by Conrad Realty Co.

Engineering evaluations
Preparation of construction drawings and permit materials
Demolition permit

• September-November 2019 — Permitting with City of DeLand
Salvage operations in interior

• November-December 2019 — Demolition and restructuring of parking lot and public-passageway
Re-roofing; installation of solar equipment and rooftop garden areas
Interior demolition

• December 2019-February 2020 — Interior reconstruction
Final landscaping
Begin leasing marketplace

• January-February 2020 — Grand opening

5. Provide a detailed description/proposal, including estimated cost and responsible party, for providing stormwater management associated with the reuse/redevelopment of the site.

Our proposal creates no new need for additional stormwater management on the site. On the contrary, our proposal increases

the pervious surface and thereby enhances the current stormwater management.

6. Provide a detailed description/proposal, including estimated cost and responsible party, for providing adequate vehicle parking specifically for the two sites included in the RFP.

Parking studies have indicated Downtown DeLand, as a whole, has more-than-adequate parking, although we do hear, sometimes and from some sectors, complaints about not being able to park directly in front of or right near a particular location.

Our proposal does not create an extraordinary new need for vehicle parking in the immediate vicinity of our development.

Our primary weekday draw is Courthouse Marketplace, a shopping destination whose patrons will be among those who enjoy strolling and shopping in our beautiful historic Downtown and, thus, will be satisfied to find parking in a variety of locations to begin their exploration. We can, if needed, in our lease agreements, require Courthouse Marketplace shopkeepers to park in the plentiful all-day parking available in

locations more remote from the shopping area.

Our secondary draw is an events venue that will be in heaviest use on the weekends. In Conrad Realty's experience over the past five years, hosting numerous weddings and other events with 150-plus and even 200-plus guests, we've had some complaints (usually about the weather), but none about parking availability, which is generally good in the neighborhood on weekends.

Parking on-site at the Old Jail property will be redeveloped and maintained by Conrad Realty Co., with as many of the existing spaces as possible preserved. Our proposal preserves the parking lots on the south side of Georgia Avenue for parking until a replacement is created.

7. Provide a detailed description, including estimated cost and responsible party, of any publicly accessible amenities associated with your proposal.

Publicly accessible amenities associated with our proposal on the Old Jail site include a landscaped pedestrian path along the east side of the parcel and a one-way vehicular drive, both connecting New York and Georgia avenues, as well as a garden area on the Georgia Avenue end of the Old Jail building.

Our proposal calls for Conrad Realty Co. to

develop and maintain these amenities; however, we are open to discussion of an alternate plan that would give the City additional control of these areas of the property.

Other than already existing utilities and public streets, which are the City of DeLand's responsibilities, we know of no other such amenities.

8. During your analysis of the existing former jail site, was any consideration given towards retention and repurpose of the existing building? If so, what were the pros and cons?

Conrad Realty Co. and our advisers and consultants spent nearly three months analyzing the feasibility of various scenarios for new construction on the Old Jail site.

In each scenario, we determined that the all-in cost of new construction (\$250 PSF), plus debt service, insurance, property taxes and other costs and expenses would require an ROI that exceeds what the DeLand market can currently produce.

We know, generally, the going rates for

rental (\$15-\$18 PSF) and sale (\$100-\$200 PSF), and these potential incomes would not support any combination of retail, residential, office or condo construction.

When we turned to consideration of reuse of the Old Jail, our plan fell together easily. While it is daunting to consider all the unknowns of redeveloping any 50-year-old building, we know the building is sturdily constructed, and that our plan incorporates adequate flexibility to overcome unexpected obstacles.

Redevelopment of the Old Jail with an exciting new use and look (including restoration of the courtroom for public rental) also has the potential to generate **positive publicity** for the City of DeLand, enhancing the city's reputation for creative solutions and historic preservation.

The pros of reusing the building include, not least, that it is the most **environmentally sound** course of action.

It also presents the possibility of doing a project that is **feasible** for our private investors.

It is **realistic** in that it takes into account the going rates for leasing property in Downtown DeLand.

It also saves the City of DeLand money, with **less demand on public funds** than a larger project would require.

A lesser-known and important positive aspect of reusing the Old Jail is that doing so **precludes "erasure."** Erasure is a sociological concept that speaks to ignoring or concealing either a segment of society or historical

practices that may have favored a dominant, usually wealthier and more powerful majority.

Like it or not, the Old Jail and what happened there, in its cellblocks and courtroom, is a part of DeLand's history, perhaps especially significant to a segment of society whose members are often not present when decisions — like what to do with the Old Jail — are made. We cherish the opportunity to embrace all members of the DeLand community — past, present, and future — as we transform the Old Jail from a spirit of incarceration to one of celebration, creativity and entrepreneurship, while not erasing its history.

We believe another positive to reusing the building is a matter of **scale**. We present a plan for development that fits the scale of the Georgia Avenue neighborhood, in architectural size, in type of use, and in the incremental, inclusive, granular development that has already made this neighborhood a community success story for DeLand.

9. Are you amenable to modifications of your proposal to achieve the goals and objectives of the City?

Yes, provided the resulting financial scenario still makes sense for our private investors.

10. Is your proposal contingent upon your successful acquisition of additional properties? If so, which properties?

No.

11. What do you anticipate to be the secondary (or multiplier) effects to the Downtown as a result of the implementation of your proposal?

Many. Specifically, the Courthouse Marketplace will serve as a shopping destination that will add to the reasons people come from out of town to spend the day in Downtown DeLand. The opportunity to walk through and experience the Marketplace (in an old jail!) and shop with its numerous creative small businesses and artisans will enhance other Downtown DeLand shops, by "enlarging the pie" of foot traffic in the business district.

In a similar way, the Indie Market event produced by our team member Courtney Hamil draws 2,000 to 3,000 people to Downtown DeLand for a Sunday of shopping four times a year. These visitors don't just shop with Indie Market vendors; they stroll the Downtown district, eating in restaurants, sipping our craft beers and cocktails, and discovering other brick-and-mortar stores.

On a much, much larger scale, Chelsea Market in New York City is a must-see tourist

attraction for that city. Conversion of the Old Jail into a Marketplace will have a draw similar to the charm of discovering shops in the historic cookie factory that was converted into Chelsea Market.

We anticipate that reuse and renovation of the Old Jail will inspire further positive development of the West New York Avenue "wing" of Downtown DeLand, in the same way that reuse and renovation of the Conrad Property's 95-year-old buildings inspired private investment nearby.

Additionally, our creation of a top-notch commercial kitchen in the Marketplace, available to now-home-based businesses, will bring more types of people into the Downtown area to have lunch, shop and discover our award-winning district.

Further, our creation of an events space in the Old Jail is good news for all DeLand-area vendors of catering services, hotel rooms,

florist services, photography services, furniture rentals and more. We've been told by two busy event planners that, every week, they are forced to book events outside DeLand because

the right venues aren't available here. We hope to fill this gap, differentiating from the other event venues available, and thus help keep this money in DeLand.

12. Provide supporting reasons why your team and proposal will be the "most advantageous" for the City.

Our team and proposal are the most advantageous for the City for the following reasons:

a. Our proposal involves the least risk for private investment and therefore has the best chance of being seen through to full fruition in the shortest possible time.

b. Our team is well-experienced in restoration and reuse of older buildings, and in leasing and doing business in the Georgia Avenue neighborhood.

c. Our proposal fits the scale of the neighborhood, and complements the positive trajectory of incremental, entertainment-oriented growth already taking place in the neighborhood.

d. Our proposal includes a micro-business incubator that will increase ownership in the Downtown DeLand community, bringing a new contingent of creative, interested businesspeople to the table and boosting the local economy in a granular, sustainable way.

e. Our proposal saves the City the cost and potential liability involved in demolishing the Old Jail.

f. Our proposal creates an interesting landmark to attract positive publicity and tourism for DeLand.

g. Our project will succeed; we already have credible proposals from three potential tenants.

h. Our proposal requires less commitment of public funds.

i. Our proposal is viewed favorably by many who have already invested private funds in development of the neighborhood.

j. Our proposal creates value for the entire Downtown DeLand community, and shields the City from the risk of participation in overbuilding.

k. Our proposal is wide-open to various forms of community participation; for example, involvement of the Stetson University School of Business Administration in assisting/advising occupants of the micro-business Marketplace, or providing shelter in the event of a disaster in the community, as well as the invitation to the community to use the space for shopping, gathering, meetings and events.

"A single storefront can transform a street. A lovable building can lift a whole neighborhood. We have seen this and know that no hero is coming to build our places to their potential. We must do it ourselves."

— The Incremental Development Alliance

Thank you