

December 13, 2024

Dr. Greg J. Concannon  
Division Director, Economic Development  
Pinellas County

**Re: JLL Proposal for Public-Private Partnership (“P3”) Advisory Services**

Dear Greg,

Jones Lang LaSalle Americas, Inc. (JLL) is pleased to present our proposal to Pinellas County (the “County”) to provide strategic and financial advisory services that will contribute to the redevelopment of the STAR Center.

Our Public Institutions specialty practice brings financing and P3 expertise for cities and counties. Our ability to think creatively while protecting our client’s interests makes us the right advisor to help bring an economic development project to fruition.

We are prepared to provide support to the County in defining its priorities, conceptualizing the redevelopment project, conducting market analysis, facilitating transaction structuring and financial feasibility analysis, and ultimately working alongside your team to find a development partner for the project and negotiate contractual agreements. Our team looks forward to rolling up our sleeves, working closely with you and your leadership team, and engaging with your Board of Commissioners as appropriate.

We are excited about the prospect of working with Pinellas County on this important engagement and we welcome the opportunity to discuss our proposal with you. If you have any questions or concerns regarding our submission, please contact me at (216) 469-6500 or at [ed.chatmon@jll.com](mailto:ed.chatmon@jll.com).

Sincerely,



Ed Chatmon, Vice President  
JLL Public Institution

## Scope of Services

The scope of services envisioned in providing P3 advisory services includes two phases. Phase 1 is foundational work that is critical to complete prior to issuing a developer solicitation. The scope is focused on defining the P3 project, analyzing commercial and financial feasibility, and preparing for an eventual procurement. This phase should be undertaken alongside the early legal and statutory analysis so that a commercial and financial perspective is incorporated when determining the optimal legal and transaction structure. At the culmination of the legal analysis and the commercial/financial analysis, Phase 2 can commence, which focuses on procuring a development partner for the STAR Center redevelopment under the selected transaction approach.

Services	Description
<b>Phase 1: Strategic and Financial Analysis</b>	
<b>Project Initiation and Visioning</b>	<p>JLL will hold a kick-off meeting to align on the project scope, schedule, and governance. JLL will present a detailed project workplan highlighting the key milestones and meetings throughout the process. This workplan will be coordinated with the County's legal advisor to ensure alignment with their key workstreams, culminating in an overall project development and solicitation schedule.</p> <p>JLL will host stakeholder engagement sessions with County leadership to define the vision, objectives, and constraints for the STAR Center redevelopment. These sessions will include a review of the initial STAR Center redevelopment concept plan and priorities including the desired program, risk transfer, and financial objectives.</p>
<b>Market Analysis and Concept Refinement</b>	<p>JLL will conduct a market analysis to understand the demand for speculative light industrial and research space in the STAR Center redevelopment that would complement the anchor tenancy. The market analysis will compare the supply and demand for space in the Pinellas County area and inform key real estate assumptions such as vacancy and rental rates.</p> <p>Based on the results of the market analysis, JLL will adjust the baseline development program as needed and align on a refined space program and phasing plan for the STAR Center redevelopment.</p>
<b>Transaction Structuring</b>	<p>JLL will qualitatively assess different transaction structures for the STAR Center redevelopment, comparing and contrasting different P3 models and identifying the benefits and risks of each relative to the County's key objectives for the redevelopment.</p> <p>Potential models to be evaluated include:</p> <ul style="list-style-type: none"> <li>- DBFOM Availability Payment Concession</li> <li>- Hybrid DBFOM with a partial Availability Payment</li> <li>- Ground lease development with a leaseback component.</li> </ul>

<b>Project Financial Analysis</b>	<p>JLL will conduct a financial feasibility analysis for the project under the selected transaction structure. The financial analysis will evaluate the risk and returns to a potential investor and the financial impact to the County.</p> <p>The analysis will include the development of all pro-forma assumptions (capital cost, financing costs, operating costs, lifecycle costs) and performing sensitivity analysis on key variables. The key outcomes of the analysis will include lease/availability payments required for the development, the value of the land as part of the transaction, and the overall feasibility of the transaction to a potential investor.</p>
<b>Report Development</b>	<p>JLL will complete a comprehensive report summarizing the Phase 1 activities, with a focus on the recommended transaction and financing approach and the corresponding financial implications.</p> <p>The Phase 1 report will include a recommended roadmap of next steps for the developer solicitation including a high-level procurement schedule with key milestones.</p>
<b>Solicitation Preparation &amp; Pre-Marketing</b>	<p><b><u>Solicitation Preparation</u></b></p> <ul style="list-style-type: none"> <li>• Lead the drafting of the solicitation documents, working in close collaboration with the County. The County will be responsible for developing any technical requirements that will be part of the RFP, such as design and construction guidelines.</li> <li>• Work with the County to identify key evaluation criteria, the relative weighting of each, and the required submittals.</li> </ul> <p><b><u>Pre-Marketing</u></b></p> <p>JLL will contact up to (10) national and regional development firms who may be interested in the project (collectively, “Market Participants”). JLL will work with the County to determine the list.</p> <p>JLL will run the discussions with County participation optional. The meetings will focus on:</p> <ul style="list-style-type: none"> <li>• Marketing the opportunity to generate early interest and formation of teams;</li> <li>• Highlighting the County’s objectives for the project in terms of program, schedule, risk allocation, financial objectives, and other parameters to be determined;</li> <li>• Gauging developer interest in the project and providing them an opportunity to ask early questions; and</li> <li>• Seeking feedback on the transaction structure and potential solicitation timeline that can be incorporated into the developer selection process.</li> </ul> <p>After the market sounding, JLL and the County will finalize the optimal solicitation strategy and timeline and develop a robust timeline of activities and key milestones from issuance of an RFQ/P through negotiation of definitive agreements.</p> <p><b>JLL will work closely with the County to prepare final presentation materials for the Board of County Commissioners and participate in one on one or group meetings with commissioners.</b></p>

<b>Phase 2: Developer Solicitation and Negotiation</b>	
<b>Developer Solicitation</b>	<p>The developer solicitation phase is an intensive effort that JLL will “quarterback” to ensure it moves efficiently and on-time while optimizing the use of the County’s time and resources. The following services will be performed from proposal evaluations until the selection of a final partner. This scope assumes issuance of an RFP with a “down-selection” process; however, this will ultimately be finalized with the County at the start of Phase 2.</p> <p><b><u>Solicitation Process</u></b></p> <ul style="list-style-type: none"> <li>• Finalize the evaluation governance structure, including the selection and advisory committee identification, roles, and responsibilities.</li> <li>• Develop a proposal evaluation training presentation for both initial and final proposals.</li> <li>• Develop a proposal evaluation manual and scorecard for both initial and final proposals.</li> </ul> <p><b>Host the training session with the selection and advisory committees for both initial and final proposals</b></p> <ul style="list-style-type: none"> <li>• Conduct a thorough review of each initial and final proposal.</li> <li>• Undertake an evaluation of the developer’s financial capacity by reviewing financial statements and other supporting information provided.</li> <li>• Evaluate initial proposals and help to determine the shortlist of teams who will submit a final proposal.</li> <li>• Hold meetings with shortlisted teams to have them present their initial design concepts and positions on the term sheet and a predevelopment agreement.</li> <li>• Abstract final proposals to clearly lay out the key elements of each proposal, and the JLL team’s assessment of the strengths, weaknesses, and risks.</li> <li>• Identify areas that require clarification and request additional information as needed from the proposers.</li> <li>• Assist the County with an evaluation of the construction cost and financing assumptions provided by each development team, identifying areas where the assumptions are unrealistic in the current market, and quantifying the rough order of magnitude of deviation from the market.</li> <li>• Assist the County in the development of interview questions, including specific questions that address relevant nuances unique to each proposal.</li> <li>• Participate as an advisor to the County in interviews and support the County in discussions about the merits of each team’s project approach, cultural fit, financial offer, and team composition.</li> <li>• After the interviews, request a BAFO from the firms.</li> <li>• Participate in final evaluation and scoring meetings to identify the preferred developer.</li> <li>• Help the County prepare required materials for leadership meetings.</li> </ul>

<b>Negotiation and Closing</b>	<p>JLL will work collaboratively with the County and its legal advisors to negotiate a pre-development agreement (“PDA”), followed by definitive agreements (i.e., development agreement, ground lease agreement, management agreement). JLL’s focus during the negotiations will be on recommending strategies and specific negotiation points for the business and financial terms. We will leverage real-time market data and precedent deal terms to ensure the development, financing, construction, and operations costs and terms are reasonable and in alignment with the market while protecting the County’s interests. The main activities in this task will include the following:</p> <ul style="list-style-type: none"> <li>• Develop a master schedule from pre-development through definitive agreement signing with key milestones and required meetings with internal stakeholders and the developer.</li> <li>• Host bi-weekly or weekly check-in meetings with core County team members and the County’s legal counsel to track progress and work through project issues.</li> <li>• Prepare agendas for meetings with developers.</li> <li>• Participate in PDA negotiation meetings.</li> <li>• Participate in developer negotiation meetings.</li> <li>• Review and provide comments on the financial aspects of the developer’s refined proposal.</li> <li>• Conduct financial sensitivity analysis as needed on revised proposal terms.</li> <li>• Provide input into the business and financial terms of the definitive agreements.</li> <li>• Provide edits to the definitive agreements as they evolve through negotiation.</li> <li>• Help the County prepare required materials for leadership and Board meetings.</li> <li>• If requested, participate in Board meetings.</li> </ul>
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## Timeline

The following is a proposed timeline for Phase 1 of the project.

Task	Timeline
<b>Phase 1: Strategic and Financial Analysis</b>	
Project Initiation and Visioning	January – February
Market Analysis and Concept Refinement	February - March
Transaction Structuring	March
Project Financial Analysis	March – April
Report Development	April
Solicitation Preparation (RFQ/P Creation)	April - June
Pre-Marketing	May - June

The timeline for Phase 2 will be dependent upon a variety of factors including the transaction and procurement structure selected. JLL and the County will finalize the timeline at the commencement of Phase 2. The typical timeframe for the developer solicitation phase is 6 months, which includes the time to prepare the solicitation documents and for the developers to prepare their proposals. The negotiation phase can range from 4 - 6 months.

## **Fee Proposal**

### **Phase 1**

JLL proposes a fixed fee of \$200,000 for Phase 1 and \$50,000 for the first month of the developer solicitation phase. JLL will bill for services monthly, based on the percentage of the work completed to date. In addition to the fixed fee, JLL would charge for out-of-pocket expenses for travel based on actual costs incurred, with a not-to-exceed cap of \$10,000.

JLL will charge a monthly retainer for Phase 2, which will be dependent on the transaction structure selected. A DBFOM Availability Payment Concession structure is a much more complicated transaction structure with a significantly greater volume of contractual documents relative to a ground lease development. As such, the monthly retainer would be different. Below is a typical range of monthly retainer amounts for each phase of Phase 2. JLL would plan to provide a detailed scope and fee for Phase 2 before proceeding, which would be based on the structure determined in Phase 1.

Developer Solicitation Phase: \$40,000 - \$50,000 / month

Negotiation and Closing Phase: \$25,000 - \$35,000 / month