VERNON MYERS
MAYOR - COMMISSIONER

MARY LAWSON BROWN
VICE MAYOR - COMMISSIONER

ALLEGRA KITCHENS
COMMISSIONER

PHIL LEARY
COMMISSIONER

JAMES NORWOOD, JR.
COMMISSIONER

CITY OF PALATKA

Regular meeting 2nd and 4th Thursdays each month at 6:00 p.m.

MICHAEL J. CZYMBOR
CITY MANAGER

BETSY JORDAN DRIGGERS
CITY CLERK

MATTHEW D. REYNOLDS
FINANCE DIRECTOR

GARY S. GETCHELL
CHIEF OF POLICE

MICHAEL LAMBERT
CHIEF FIRE DEPT

DONALD E. HOLMES
CITY ATTORNEY

May 9, 2013

TO COMMISSIONERS: **MARY LAWSON BROWN, ALLEGRA KITCHENS, PHIL LEARY AND JAMES NORWOOD, JR.:**

You are hereby notified that a special called meeting of the Palatka City Commission is called to be held on Monday, May 13, 2013 at the regular meeting place of the Palatka City Commission, Palatka City Hall, 201 N. 2nd Street, Palatka, Florida, to commence at 5:30 p.m.

The purpose of the meeting is to consider a resolution authorizing the execution of a Non-Binding Letter of Intent to SHP Hospitality, LLC, a respondent to the RFP for Development Proposals, for the sale of 1.69 acres of city-owned property located in Area 3 on Block #2, or more commonly known the former Frank George High Rise Apartments location, on which a hotel is proposed.

/s/ Vernon Myers
Vernon Myers, MAYOR

We acknowledge receipt of a copy of the revised foregoing notice of a special called meeting on the 10th day of May, 2013

/s/ Mary Lawson Brown
COMMISSIONER

/s/ Phil Leary
COMMISSIONER

/s/ James Norwood, Jr.
COMMISSIONER

/s/ Allegra Kitchens
COMMISSIONER

PERSONS WITH DISABILITIES REQUIRING ACCOMMODATIONS IN ORDER TO PARTICIPATE IN THIS MEETING SHOULD CONTACT THE CITY CLERK'S OFFICE AT 329-0100 AT LEAST 24 HOURS IN ADVANCE TO REQUEST ACCOMMODATIONS.

PHONE: (386) 329-0100
201 N. 2ND STREET • PALATKA, FLORIDA 32177
www.palatka-fl.gov
FAX: (386) 329-0106

CITY COMMISSION AGENDA ITEM

SUBJECT: **A Resolution of the City of Palatka, Florida,** approving a Non-Binding Letter of Intent with SHP Hospitality, LLC for the sale of 1.69 acres of city-owned property, known as the former site of the Frank George High Rise Apartments, and authorizing the City Manager to execute the LOI on behalf of the City.

DEPARTMENT: **Administration/City Manager**

ATTACHMENTS: ___ Ordinance _X_ Resolution ___ Motion
_X_ Support Documents ___ Other

SUMMARY: The City developed and released a comprehensive Request for Proposals for the sale or lease of two blocks of city-owned property commonly known as the "Downtown Redevelopment Area." The City received one response for the area identified as Area 3 (Block 2 – vacant land). The lone respondent, SHP Hospitality, LLC of St. Augustine (represented by Sanjay Patel), has submitted a proposal to buy the property from the City and develop a quality hotel on the site. A copy of this proposal with site plan is attached.

The RFP Evaluation Committee, consisting of Jonathan Griffith, Thad Crowe, Matt Reynolds, Gary Getchell, and Charles Rudd, has reviewed and evaluated the response, and determined that the submitted proposal meets the minimum requirements of the RFP (minutes attached). The City Manager and Staff have conducted several negotiation sessions with the respondent and have produced a mutually acceptable Non-Binding Letter of Intent (LOI) to purchase the property. Once the LOI Agreement has been accepted by the City Commission, SHP Hospitality, LLC can make formal application to Hilton Worldwide to build a new HAMPTON INN on this site. Once Mr. Patel files his application, it will take two to three months to review and process.

RECOMMENDED ACTION: **Adopt Resolution No 2013-9-111** authorizing the City Manager to execute a Non-Binding Letter of Intent to SHP Hospitality, LLC for the sale of 1.69 acres of city-owned Downtown Redevelopment property formerly known as the Frank George High-Rise Apartments site

DEPARTMENT HEAD	Submitted: Michael J. Czymbor, CM Requested Agenda Special/Regular	Date: 05/10/13 Date: 05/13/13
FINANCE DEPARTMENT	Budgeted ___Yes ___No ___N/A	Date:
CITY ATTORNEY	Approved as to Form and Correctness	Date:
CITY MANAGER	Approved Agenda Item For:	Date: 5/10/13

COMMISSION ACTION: ___ Approved as Recommended ___ Disapproved
___ Approved With Modification ___ Tabled To Time Certain
___ Other

DISTRIBUTION: ___APT___CA ___CC ___CM ___FIN ___FD ___P&C ___PD ___PLN ___S&S___W&S ___WTP ___WWTP

RESOLUTION No. 2013 – 9 - 106

A RESOLUTION OF THE CITY OF PALATKA, FLORIDA, AUTHORIZING THE CITY MANAGER TO EXECUTE A NON-BINDING LETTER OF INTENT WITH SHP HOSPITALITY, LLC FOR THE PURCHASE OF 1.69 ACRES OF CITY-OWNED PROPERTY AT 100 MEMORIAL PARKWAY, COMMONLY KNOWN AS THE FORMER FRANK GEORGE HIGH RISE APARTMENTS SITE

WHEREAS, on March 1, 2013 the City of Palatka issued a Request for Development Proposals for two blocks in Downtown Palatka commonly known as the Downtown Redevelopment Site(s); and

WHEREAS, SHP Hospitality LLC submitted a timely response and proposal to build a "quality hotel" on the 1.69 acre site known as Area 3, and more commonly known as the former site of the Frank George High Rise Apartments, and it has been determined by Staff that this proposal meets the minimum requirements of the Developer RFP; and

WHEREAS, SHP Hospitality, LLC requires a Non-Binding Letter of Intent from the City agreeing to sell this 1.69 acre site to SHP Hospitality, LLC in order to make application to Hilton Worldwide to build a Hampton Inn on this site; and

WHEREAS, the Palatka City Commission deems it reasonable to authorize the City Manager to execute a Non-Binding Letter of Intent to sell SHP Hospitality, Inc. an amount of property up to 1.69 acres +/- for the purposes of constructing a Hampton Inn, and includes up to 0.20 acres for future commercial development.

NOW, THEREFORE, BE IT RESOLVED by the City Commission of the City of Palatka, Florida, that the City Manager is hereby authorized to execute and deliver on behalf of the City of Palatka a **Non-Binding Letter of Intent**, attached hereto as Exhibit A, agreeing to sell to SHP Hospitality, LLC. an amount of property up to 1.69 acres located at 100 Memorial Parkway, commonly known as the former Frank George High Rise Apartments site, for the purposes of constructing a Hampton Inn.

PASSED AND ADOPTED by the City Commission of the City of Palatka, Florida this 13th day of May, 2013.

CITY OF PALATKA

_____

By: Its MAYOR

ATTEST:

_____

CITY CLERK

APPROVED AS TO FORM
AND CORRECTNESS:

EXHIBIT "A"

To: **City of Palatka, FL**
Michael J. Czymbor, City Manager
201 North Second Street
Palatka, FL 32177

Non-Binding Letter of Intent

Today's Date: May 10, 2013

On behalf of **SHP Hospitality, LLC.** (Sanjay Patel) ("Buyer"), I am pleased to present to you this Non-Binding Letter of Intent to purchase the property commonly known as 100 Memorial Parkway, **Palatka, Florida, (RFP 1-3-13 Area 3 Block 2)** which is located in City of Palatka, State of Florida (the "Property"). Set forth below are proposed terms:

Purchase Price:	One hundred and Sixty nine thousand dollars ($169,000.00)
Deposit:	Five thousand dollars ($5,000.00)
Closing date:	Sale/Purchase Contract to be negotiated and executed ninety (90) days with closing to occur, if at all, within forty five (45) days after
Brokerage Fees and closing costs	SHP Hospitality, LLC. Shall pay all closing costs, doc stamps, recording fees and title insurance

Purchase Agreement:	Seller and Buyer to utilize Seller's form of purchase and sale agreement, in form and content mutually acceptable to both parties.
Additional Conditions	Subject to those terms, conditions and restrictions to be negotiated by the parties and incorporated into the Sale/Purchase Contract.
Buyer's Name & Address & Phone Number	SHP Hospitality, LLC. (Sanjay Patel) 250 Prime Outlet Blvd. St. Augustine, FL 32084 _____ Phone # 813-846-1130

Sincerely,

SHP Hospitality, LLC.
Buyer Signature _____

By: _____

Date: _____, 2013

AGREED & ACCEPTED BY SELLER:
City of Palatka, FL
Seller's Signature _____

By: _____

Date: _____, 2013

MINUTES – Open Invitation for Development Proposals Meeting April 19, 2013

Proceedings of a meeting of the Open Invitation for Development Proposals RFP Selection Committee held at City Hall on April 19, 2013 at 9:00 a.m.

Present: Thad Crowe, Charles Rudd, Jonathan Griffith, Matt Reynolds and Gary Getchell

Also Present: Chris Devitto, Palatka Daily News

Mr. Griffith called the meeting to order at 9:00 a.m.

Mr. Crowe made a motion to approve the 4-12-13 minutes, seconded by Mr. Rudd. All in favor, motion passed

Riverfront Development Group

- Is the rental rate determined solely on the amount of money needed to cover the overhead and debt and does it take into account the existing market rate for the downtown area?
- Will the respondent agree to a performance bond?
- What type of financing is being sought and how long do you estimate to secure financing?
- Describe cultural uses.
- Provide a description on the type and duration of marketing needed to pre-lease the spaces.
- Describe soft costs.
- Will the respondent work with the Edith Rose Boutique respondent?

The above questions and requests for clarification are to be issued in writing to the respondent.

Edith Rose Boutique

- Will the respondent work with a master developer?
- Will the respondent agree to a performance bond?
- If the City or chosen master developer cannot guarantee space for future expansion of your business, are you still interested in pursuing the boutique?
- What marketing analysis have you done to confirm the business can be supported?

The above questions and requests for clarification are to be issued in writing to the respondent.

SHP Hospitality LLC

- Under the current municipal code offsite signage is not allowed. This would prevent the City from agreeing to allow a Hilton sign off the proposed site. However, generic directional signage for the Hotel could be provided. The committee agreed this detail could be worked out in ensuing negotiations and City staff development review.
- The sale of alcohol on the proposed site would require a conditional use approval from the planning board.
- The proposed plan does not allow for future commercial along St. Johns Avenue.
- The City may assist in reducing or eliminating the storm water requirement on site.
- The Presbyterian Church has requested a strip of land behind their building to provide a buffer and parking.

Mr. Crowe made a motion to qualify SHP Hospitality contingent on the following conditions:

1. retain a strip of land adjacent to St. Johns Avenue for future commercial development;
2. provide a buffer adjacent to the church; and
3. provide general architectural design compatibility with the downtown area.

Seconded by Mr. Rudd

Mr. Griffith stated that SHP's plan requirements could be satisfied even if the City retained a strip of land along St. Johns Avenue.

All in favor, motion passed

The following was agreed upon by the committee:

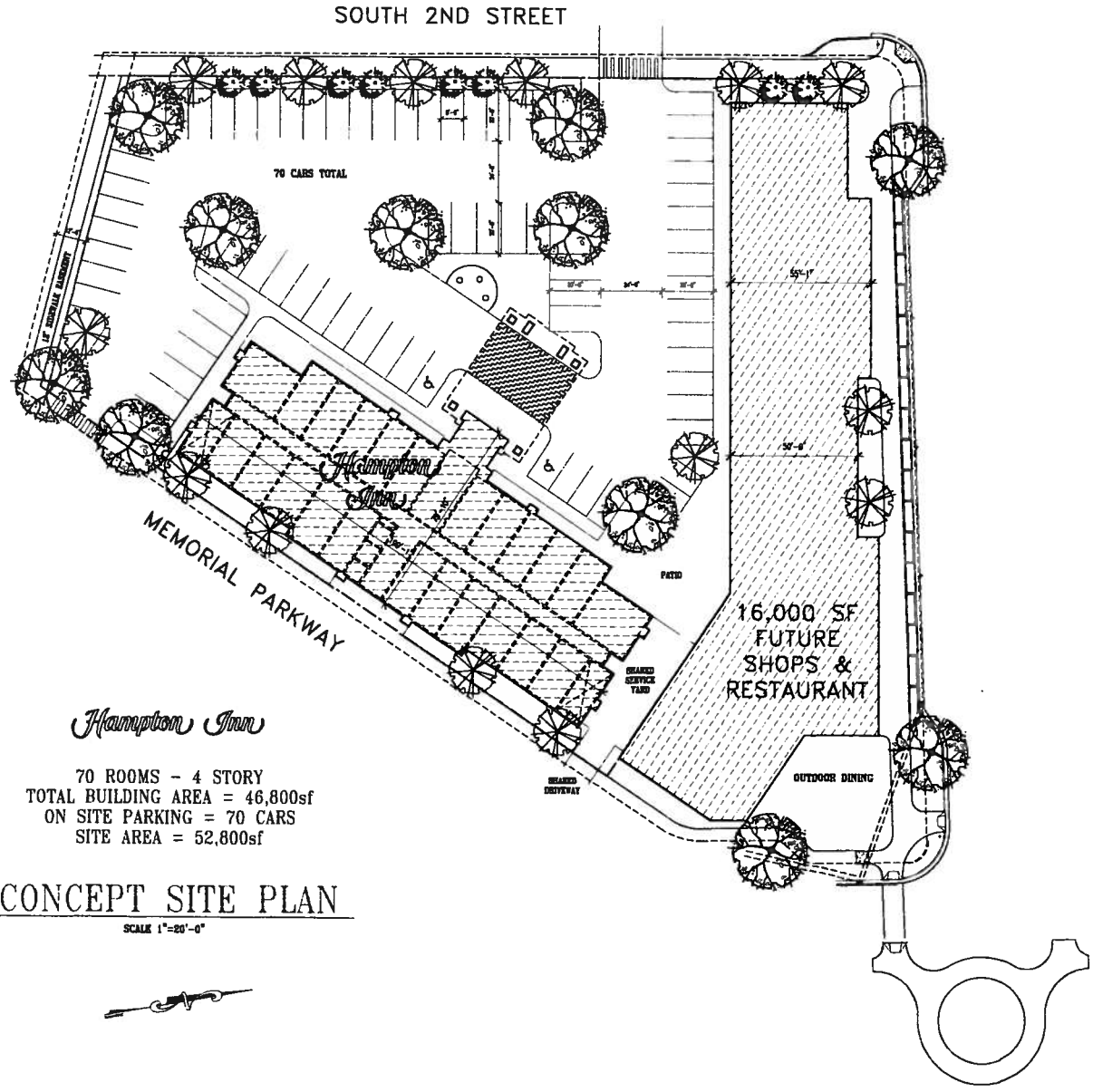
1. Charles Rudd would contact Riverfront Development Group's References
2. Jonathan Griffith would make contact with municipal contacts associated with past projects of the Riverfront Development Group.
3. The commissioners should be given an opportunity to provide feedback and ask questions prior to any public workshop.

The RFP schedule was amended as follows.

April 15-22, 2013	Evaluation of proposals
April 22, 2013	Questions and/or requests for clarification issued in writing to respondents
May 3, 2013	Deadline for responses
May 24, 2013	Staff report and recommendation to City Manager
May 27-31 TBD	Public workshop
June 13, 2013	Selection of respondent(s) for negotiations by City Commission
TBD	Development agreement(s) approval by City Commission

The Committee adjourned at 10:30 a.m.

Minutes submitted by J. Griffith, Project Manager/Grants Administrator



Hampton Inn

70 ROOMS - 4 STORY
TOTAL BUILDING AREA = 46,800sf
ON SITE PARKING = 70 CARS
SITE AREA = 52,800sf

CONCEPT SITE PLAN

SCALE 1"=20'-0"

REVISIONS	DATE

PALATKA
FLORIDA, USA

Hampton Inn

DANIEL LEMBERG - ARCHITECT
3445 CONCORD CORNER
CONYERS, GA 30013
PHONE: 770-922-8322

DRAWN
DLL
DATE
5-6-2013
JOB
SHEET

CONCEPT

OPEN INVITATION

FOR SUBMISSION OF DEVELOPMENT PROPOSALS (RFP) 13-002

The City of Palatka, and the Community Redevelopment Agency (hereinafter referred to as "the City") are soliciting proposals from potential developers and/or end users for the redevelopment of two City blocks, through sale, lease or combination thereof. The property, consisting of approximately 2.52 acres, is located within the Community Redevelopment Agency's (CRA) Central Business District (CBD). The property is separated into three distinct redevelopment areas, one of which includes Area 1 consisting of four existing buildings totaling 32,236 sf, Area 2 (block 2 vacant land) 0.38 acres and Area 3 (block 1 vacant land) 1.75 acres. The City will consider proposals from interested and qualified respondents for any and/or all of the redevelopment areas/buildings.

The City reserves the right to enter into contracts with multiple developers, master tenants and/or end-users, pursue a multi-phased project, waive any irregularities submitted, reject any and/or all submittals, re-advertise, and accept any submittals deemed to be in the best interest of the City. All interested parties must register their name, email address, address and telephone number with the City to receive any future changes, additions, addendums or notices concerning the RFP.

Advertisement Date: March 1, 2013

Due Date: **April 15, 2013 @3:00 p.m.**

Contact: Michael J. Czymbor, City Manager
201 North Second Street
Palatka, FL 32177
mczymbor@palatka-fl.gov
(386) 329-0100 x 217

Proposals will be reviewed by City of Palatka staff and a recommendation will be made to the City of Palatka Community Redevelopment Agency Board and City of Palatka Commission for joint consideration. Respondents are required to submit one (1) original, six (6) copies and one (1) digital copy in a sealed envelope marked in red ink **"RESPONSE TO REQUEST FOR DEVELOPMENT PROPOSALS APRIL 15, 2013"**. Responses should clearly indicate which development area(s) the response is for. To facilitate effective evaluation by the City, responses shall be limited to no more than a total of fifty (50) pages. All questions shall be emailed to the contact listed above and, all questions will be answered in writing. Forms required by this RFP, Appendix documentation, sectional dividers, and front and back covers will not be counted toward the total. At the discretion of the City, a short list of the most qualified respondents may be developed and respondents may be asked to give a short presentation or interview as part of the evaluation and selection process. The City of Palatka supports Equal Opportunity Employment, Fair Housing and Providing Handicapped Access.

I. VISION

Statement

The City of Palatka envisions a vibrant, livable, drivable and walkable area comprised of a diverse mix of complementary uses that incorporate the site's past into its reuse thus strengthening the City's ties to its riverine roots.

Riverfront Master Plan

In 2008 and 2009 the City of Palatka commissioned the development of a Riverfront Master Plan. This plan was accepted by the Commission in March 2010. Elements of the plan recently completed include: canoe/kayak soft launch, 20 floating mooring slips at the northern end of the park, 90% of the storm water infrastructure for the redevelopment area, 60+ surface parking lot spaces, streetscape improvements, northern park enhancements, and overhead to underground utility conversion in the northern redevelopment and park area. Planned improvements for the 2013-2014 fiscal year include; southern park enhancements, overhead to underground utility conversions in the southern riverfront area, the expansion of the boat launch from two (2) to five (5) slips, installation of twenty (20) floating mooring slips off of the city dock, construction of new restroom facilities, parking/storm water improvements and the construction of the St. Johns River Environmental Education Center on Block 2.

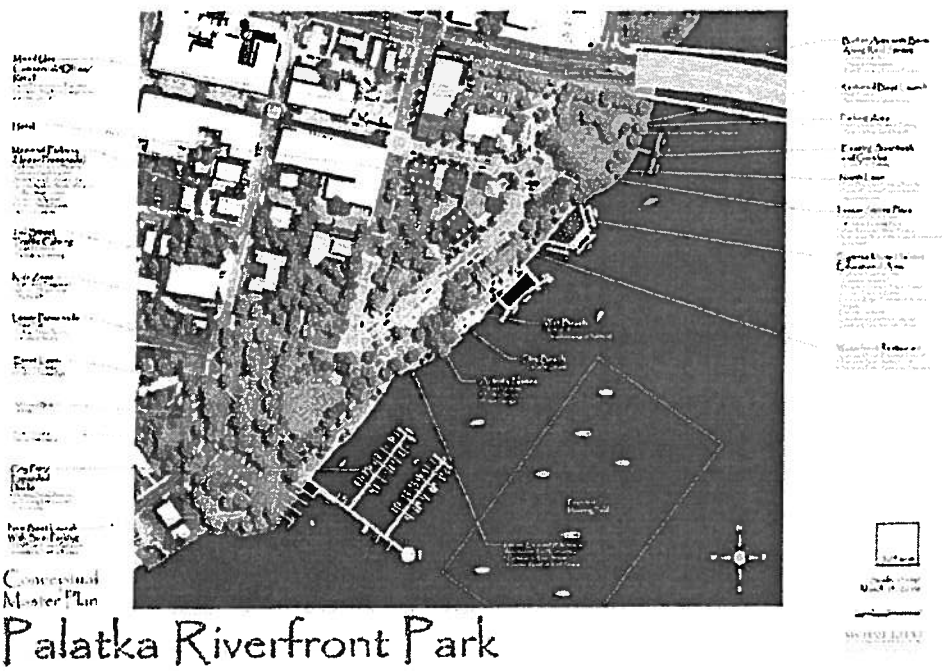


Figure 1 - City of Palatka Riverfront Master Plan (This plan is a conceptual guide for the vision of the riverfront area and some items are not intended to be constructed. Respondents are encouraged to speak with the City Manager regarding implementation of this plan.)

Site legacy & History

For specific information related to the history of Palatka visit the City's website at http://palatka-fl.gov/?page_id=234.

Mixed use redevelopment

The City is interested in proposals that would provide for multi-story mixed used development. Schemes should take into account commercial uses (retail or office) on the first floor, and residential living on the upper floors. The City will favorably consider proposals that contribute to the redevelopment of the area as a place to live, work, shop, dine, visit and recreate.

II. PROPERTY DESCRIPTION

Owner/Sellor/Lessor: City of Palatka, FL

Size: 3.18 acres
*2.52 acres redevelopment areas

Utilities: Electric, paved roadways, sidewalks, cable TV, potable water, sewer, and natural gas are available on site. A storm water permit for all development areas has been secured from the St. Johns River Water Management District. Ninety percent (90%) of the storm water conveyance and retention system has been built out. Additional utility information related to specific development areas is listed below. The redevelopment area has a potable water Available Flow range of 1160-1500GPM and a range of 80-85 Static PSI.

Land use designation: Commercial

Zoning: Downtown Riverfront

Proposed Redevelopment areas

- Area 1 - Block 2 (100 Block) Existing Buildings

  Size: 0.45 Acres including 32,236 sf existing buildings
  9,126 sf - Moragne Building
  5,482 sf - Snow Building
  (*1,782 sf addition off back)
  9,000 sf - Bailey Building
  8,628 sf - Winegar Building

  Utilities: Potable water is available for hook-up along the entire rear (east side) of the buildings. A sewer stub-out is located behind the edge of walk on the north side of St. Johns Avenue behind the buildings. Underground electrical conduit has been placed behind the buildings for the future placement of a transformer to service the existing buildings and vacant land. Natural gas is available on site. A stub-out for roof and additional impervious surface runoff is located at the rear of the buildings for future connection.

  Description: Area 1 includes four buildings and a small amount of vacant land for pedestrian walks and access points along the north and east facing facades. This area is adjacent to a surface parking lot and on-street parking totaling 80+ public parking spaces. More information related to the history and condition of the buildings can be found in the attached reports, *Historic Assessment of the 100 Block Buildings* and *Visual Inspection Report of the 100 Block Buildings*.

- Area 2 - Block 2 (100 Block) Vacant Land

  Size: 0.33 Acres Total
  0.29 Acres – Buildable footprint
  0.04 Acres – Pedestrian walks and back of house

  Utilities: A sewer stub-out is located behind the edge of walk on St. Johns Avenue. A stub-out for roof and additional impervious surface storm water runoff is located at the east of Block 2. This area is adjacent to a surface parking lot and on-street parking totaling 80+ public parking spaces.

- Area 3 - Block 1 Vacant Land

  Size: 1.75 Acres

  Utilities: A stub-out for roof and additional impervious surface runoff is located at the northeast corner of Block 1.

Adjacent Public Lands and Facilities

These facilities are listed for informational purposes only and are not included as available redevelopment areas unless otherwise noted.

- Block 2 (100 Block) Public Parking

  Size: 0.50 Acres

  Description: This surface lot was constructed in 2011 and has sixty one (61) public parking spaces.

- Riverfront Park

  Size: 7.00 Acres +/-

  Description: The City of Palatka Riverfront Park is a family-oriented space that provides for passive and active recreational activities. The park includes an amphitheater, event lawn, covered fishing gazebo, City Pier, boat launch, mooring slips, restroom facilities and parking areas at the northern and southern ends of the park. These two lots total approximately 60+ spaces.

- St. Johns River Center and Lemon Street Plaza

  Size: 0.15 Acres
  3,392 sf – Center 1st floor
  2,059 sf – Center 2nd floor
  2,978 sf – Plaza

  Description: The mission of the St. Johns River Center will be to enhance the awareness, knowledge and appreciation of the fascinating history and diverse ecology of the St. Johns River and its systems of lakes, creeks and wetlands. This educational facility is to be fully constructed and operational by the second quarter of 2014. The City of Palatka is will entertain proposals for accessory/complementary uses to be located in Area 2 – Block 2 (100 Block) vacant land adjacent to the proposed St. Johns River Center.

III. PLANS, STUDIES AND EXHIBITS

The following exhibits are available on the City's website at http://palatka-fl.gov/Documents/Redevelopmentexhibits to assist with due diligence.

1. Riverfront Master Plan (2010)
2. Historic Assessment of the 100 Block Buildings
3. Visual Inspection Report of the 100 Block Buildings
4. 100 Block Buildings Estimate of Probable Cost
5. CDBG-C02 Streetscape and Storm Water Exhibit
6. Community Redevelopment Area Plan
7. City of Palatka Zoning & Future Land Use Maps
8. Proposed Development Lease and Purchase Agreements
9. Completed and Proposed Riverfront Improvements Planning Document
10. Redevelopment Property Values Exhibit

IV. PUBLIC/PRIVATE PARTNERSHIP

The City seeks to redevelop these sites through the use of an innovative public/private partnership with the participation of the Community Redevelopment Agency as an active participant providing technical knowledge, historical information and financial assistance to the selected respondent(s). Contemplated funding and financing may include:

- the use of CRA tax increment funds;
- grant sources (i.e. United States Department of Agriculture, Department of Economic Opportunity, State Historic Preservation Office);
- enterprise zone sales tax credits;
- historic rehabilitation tax credits; and
- FL-New Market Tax Credits.

V. EVALUATION CRITERIA

The criteria that the City will use in evaluating all proposals include, but are not limited to;

- the qualifications, experience and financial capacity of the proposer(s);
- the proposed use of space and consistency of the proposal with the mixed-use vision for the redevelopment area and land use regulations;
- purchase/lease terms and proposal;
- market justification;
- degree of flexibility of the proposal as it relates to overall redevelopment;
- strength of proposal concept and likelihood of realization in a timely manner; and
- the impact of the proposal and flexibility in pursuing other redevelopment alternatives to ensure a successful overall development.

The City reserves the right to make investigations of the qualifications of the Respondent as it deems appropriate including, but not limited to, a background investigation of Respondent personnel to be conducted by the City of Palatka Police Department or its designees. Further, the Respondent hereby consents and authorizes the City to contact any and all previous references and others having

business dealings with Respondents to inquire about the Respondent's past or current performance on any other projects that the City deems to be relevant to the services requested under this RFP.

VI. MANDATORY SUBMITTAL REQUIREMENTS

All respondents shall submit the following items tabbed and arranged in the sequence shown below.

1. **Letter of interest** describing the legal composition of the developer, master-tenant and/or end-user. The letter should indicate all parties' roles and any evaluation criteria that are not applicable to their proposal.
2. **Experience:** Provide a narrative and/or listing of similar successful experience, specifically with regard to that which is being proposed (i.e. developer, master-tenant, end-user).
3. **References**: Provide at least four (4) verifiable references of which two (2) must be letters of reference.
4. **Proposal Concept**: State the type of respondent (developer, master-tenant or end-user), anticipated use(s), redevelopment areas sought, total square footages envisioned per use, site control desired (purchase or lease), and any requested financial participation by the City. If the respondent elects to submit a conceptual site plan or building elevation renderings, they must be 24 x 36 rolled. A maximum of five (5) 24 x 36 sheets is allowed, with an accompanying electronic copy.
5. **Financial Feasibility and Capacity**: Submit a preliminary financing plan including:
    a. Source and use of all private and public funds needed to construct and open the facility. This will include the cost of building construction, fixed equipment, initial inventory as well as any required rolling stock.
    b. Demonstrate financial capacity of the proposer/respondent by supplying financial statements, income tax returns, bank letter of credit and previous experience with fund raising, development deal making, capital investments, debt capacity and other financing mechanisms.
6. **Business plan**: Submit a business plan including at a minimum;
    a. description of the business from an ownership, organizational, historical, and structural perspective;
    b. number of proposed full time and part-time employees by position title, educational experience to be required to qualify for each type of position and anticipated salary range;
    c. time schedule for hiring;
    d. identify all key project personnel who will work on tasks assigned under this RFP or in the case of end-users all key personnel of the proposed business/use;
    e. expected market for its product and its marketing plan;
    f. management plan, including operational and financial issues;
    g. projected schedule for expansion or initiation of operations; and
    h. critical risks and perceived problems or obstacles.
7. **Proposer's Certification:** A signed letter attesting that the respondent has read and understands all procedures outlined in this RFP **(Attachment A)**
8. **Sworn Statement on Public Entity Crimes Form (Attachment B)**
9. **Drug-free workplace certification (Attachment C)**

Each respondent shall be required to address each of the submittal requirements. If any of the criteria are not applicable, the respondent is instructed to write "NOT APPLICABLE "as an answer.

250 Prime Outlet Blvd.

St. Augustine, Fl 32084

March 14, 2013

Mr. Michael J. Czymbor, City Manager
201 N. 2nd Street
Palatka, Fl 32177

RE: River Walk Property

Dear Mr. Czymbor;

We thank you for meeting with us this morning on such short notice to discuss your River Walk property.

We have given serious thought to constructing our hotel on the 1.75 acre portion at this site. You are aware of our trepidations on purchasing this site and we will not repeat them at this time.

Having said all this, we are officially offering you $175,000, ($100,000 per acre), for the 1.75 acre portion that is located at 100 Memorial Parkway.

It is our intention to construct a Landmark Hotel serving as the primary eye appeal for the entrance into your lovely city.

This will be a long term, expensive investment on our part and will take many months to become totally profitable. We therefore request property tax relief for the first five years after purchasing said property and relief on all impact fees and other city charges.

Based on previous meetings, it is our understanding that the Permitting from the St. Johns River Water Management District is essentially complete will not be a cost to us. Also there is adequate potable and fire water, adequate sewage capability, and electrical power to handle our four story hotel.

The PPO you shared with us today is appreciated, however in today's economic climate: the lending institutions do not care about this type of information. They are only interested in how much money we have in our pocket.

Remember we pointed out that we will need signage off S.R. 100 to this site and will need approval from the Hilton Corporation. Also we will need a full liquor license.

We look forward to doing business with you.

Sincerely,

Sanjay Patel, President
813 846 1130

250 Prime Outlet Blvd

St. Augustine , Fl 32084

April 15, 2013
Mr. Michael J. Czymbor, City Manager
201 N. 2nd St.
Palatka, Fl 32177

Re: River Walk Property

Dear Mr. Czymbor;

We want to clarify why we are NOT submitting the Mandatory Submittal Documents Requirements as called for on page 6/15 your RFP as follows:

1. SHP Hospitality LLC will be controlling the land and the building and only two (2) people are involved in this entity. These two people will be managing the development, construction of the motel and managing it during its operation.

2. Thirty years experience in construction in managing hotels from 60 rooms to 200 rooms.

3. These letters will be submitted later, but not at this date.

4. See enclosed letter size Conceptual Plan.

5. (a & b)We have financing in place with two to three banks based on Hilton's approval requirement. As you know there are two hotels in Palatka that in Foreclosure and Hilton does not want to be in that position with a new hotel.

6. We can not submit a Business Plan with all the info your are requesting until Hilton agrees with the purchase of this property and we will give you Hiltons Business Plan at that time..

7. Attachment A is enclosed

8. Attachment B is enclosed.

9. Attachment C is enclosed.

Please be advised that our proposal is based on Hiltons and the bank's approval, without their approval this proposal is NULL & VOID. Hilton has already advised us that they want to stay close to the S.R. 100 and S.R. 19 interchange.

Sincerely,

Sanjay Patel, President

813 846 1130

VII. ANTICIPATED SCHEDULE

March 1, 2013	Issuance Date
March 13, 2013 @ 10:00 a.m.	Voluntary pre-submittal meeting
March 20, 2013 @ 5:00 p.m.	Deadline for written inquiries
April 15, 2013 @ 3:00 p.m.	Due date
April 15-22, 2013	Evaluation and ranking of proposals
TBD	Oral presentations by selected respondent(s) to Commission and/or evaluation committee
April 26, 2013	Staff recommendation to City Commission
May 9, 2013	Selection of respondent(s) for negotiations by City Commission
TBD	Development agreement(s) approval by City Commission

EXHIBIT "A"

REDEVELOPMENT AREAS

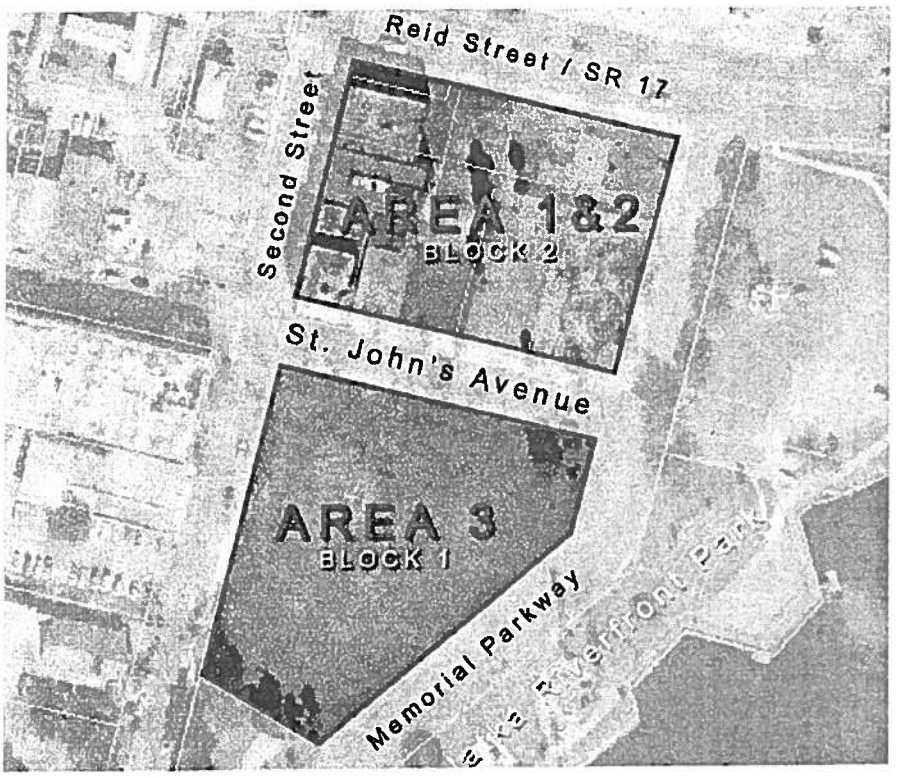


Figure 1 - Aerial Exhibit of Redevelopment Areas

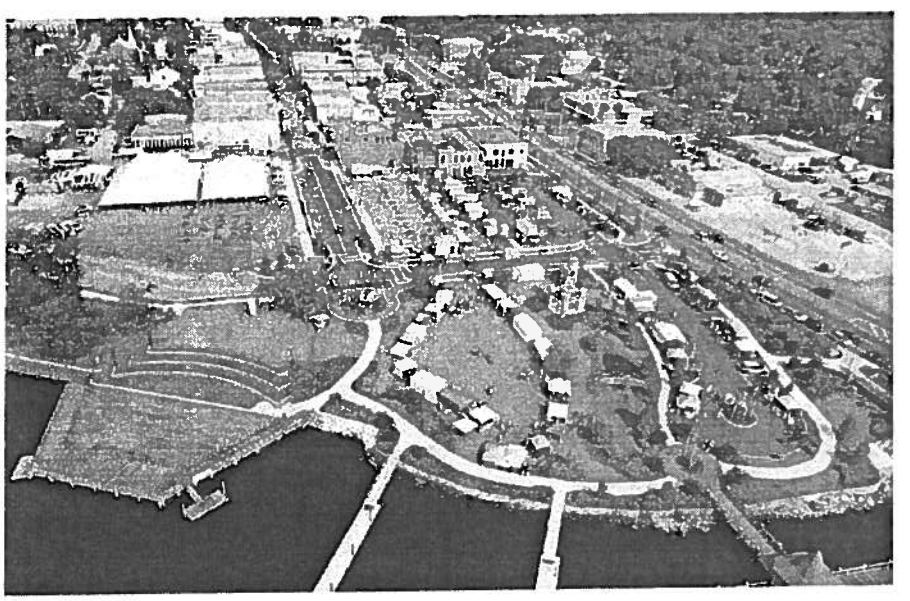


Figure 2 - Aerial of Riverfront Park and Redevelopment Areas

EXHIBIT "A"

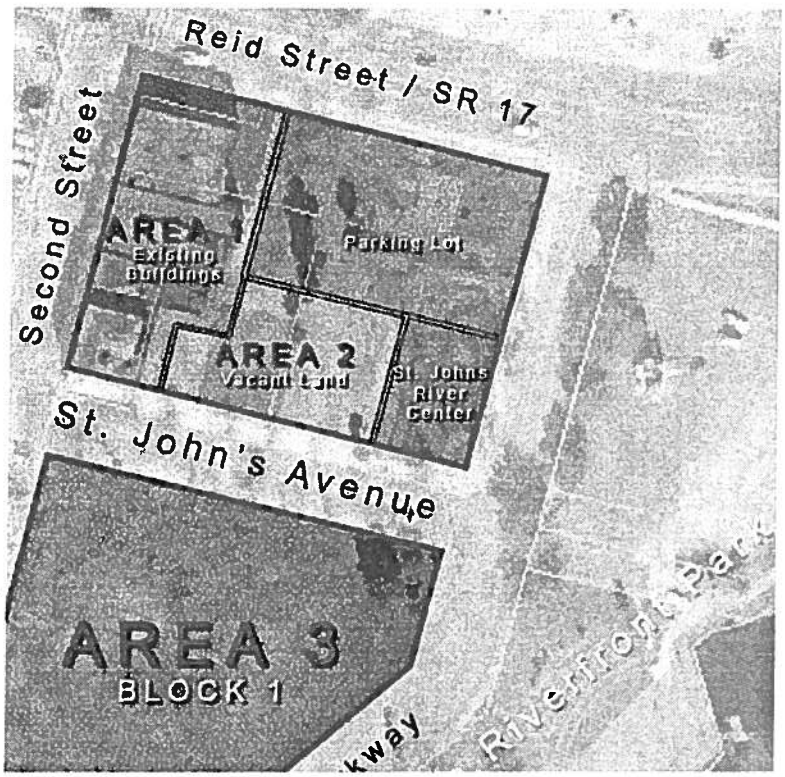


Figure 3 – Redevelopment areas Block 2

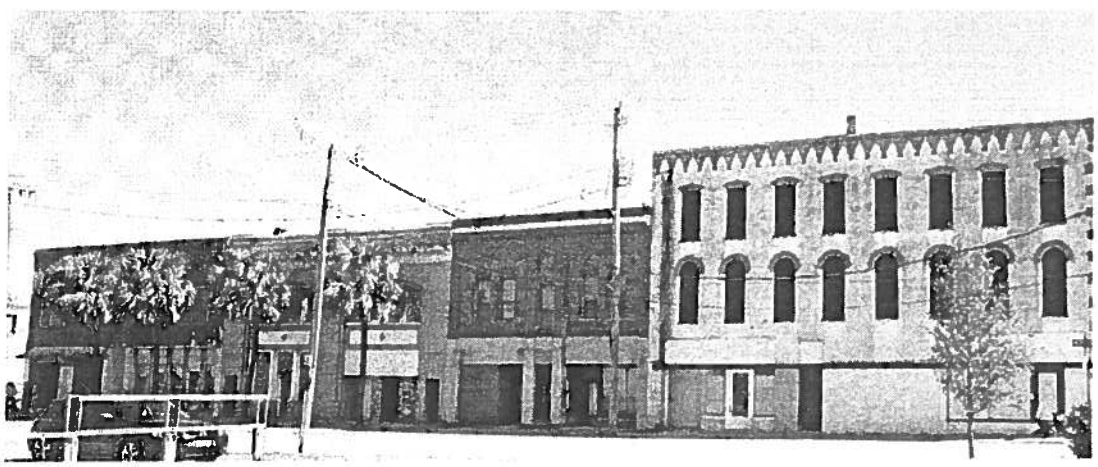


Figure 4 – Area 1 existing buildings

EXHIBIT "A"

Figure 5 – Area 2 Block 2 vacant land & St. Johns River Center location

Figure 6- Block 2 parking

EXHIBIT "A"

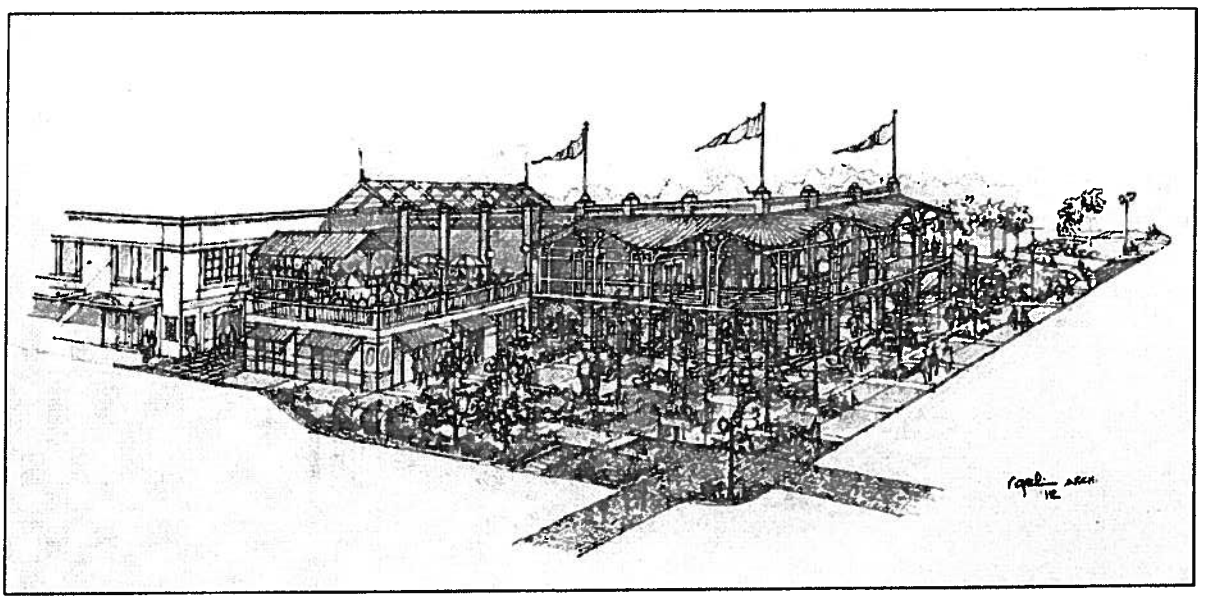


Figure 7 - Block 2 St. Johns River Center Conceptual Rendering

Figure 8- Area 3 Block 1 vacant land

ATTACHMENT "A"

PROPOSER'S CERTIFICATION

THIS FORM MUST BE SIGNED IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER OFFICER AUTHORIZED TO ADMINISTER OATHS.

The undersigned has read the City of Palatka's Open Invitation for Submission of Development Proposals (RFP), the other related documents identified in the RFP, and any Addenda, receipt of all which is hereby acknowledged:

Addendum No.	Addendum Date

On behalf of our proposal team, we agree to, and accept the terms, specific limitations and conditions expressed therein. I certify that all information contained in the proposal is truthful to the best of my knowledge and belief. I further certify that I am duly authorized to submit this proposal on behalf of my team as its act and deed and that the team is ready, willing and able to perform.

SANJAY PATEL
Name (Print)

Signature Date: 4-15-13

STATE OF FLORIDA

COUNTY OF Volusia

PERSONALLY APPEARED BEFORE ME, the undersigned authority, who, after first being sworn by me, affixed his/her signature at the space provided above on this 15 day of April, 2013, and is personally known to me, or has provided FL DL as identification.

Notary Public State of Florida
Stacy M Reed
My Commission EE 831972
Expires 09/03/2016

Notary Public

My Commission expires: 9-3-2016

ATTACHMENT "B"

CITY OF PALATKA, FLORIDA SWORN STATEMENT UNDER F.S. SECTION 287.133(3)(A), ON PUBLIC ENTITY CRIMES

THIS FORM MUST BE SIGNED IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER OFFICER AUTHORIZED TO ADMINISTER OATHS.

1. This sworn statement is submitted with Bid, Proposal or Contract for Development Proposals (RFP) 13-002 Area 3 only

2. This sworn statement is submitted by (entity SHP Hospitality LLC) whose business address is 250 Outlet Mall Blvd St Augustine FL 32084 and (if applicable) Federal Employer Identification Number (FEIN) is 36-4749682 (If a Sole Proprietor and you have no FEIN, include the last four (4) digits of your Social Security Number: _____.)

3. My name is Sanjay Patel and my relationship to the entity named above is Manager.

4. I understand that a "public entity crime" as defined in Paragraph 287.133(a)(g). Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or with the United States, including, but not limited to, any proposal or contract for goods or services to be provided to any public entity or any agency or political subdivision of any other state or of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.

5. I understand that "convicted" or "conviction" as defined in paragraph 287.133(a)(b), Florida Statutes, means finding of guilt or a conviction of a public entity crime with or without an adjudication of guilt, in any federal or state trial court of records relating to charges brought by indictment or information after July 1, 1989, as a result of a jury verdict, non-jury trial, or entry of a plea of guilty or nolo contendere.

6. I understand that an "affiliate" as defined in Paragraph 287.133(1)(a), Florida Statutes, means:

   a. A predecessor or successor of a person convicted of a public entity crime; or

   b. An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in the management of an affiliate. The City of Palatka, Florida ownership by one of shares constituting a controlling income among persons when not for fair interest in another person, or a pooling of equipment or income among persons when not for fair market value under a length agreement, shall be a prima facie case that one person controls another person. A person who was knowingly convicted of a public entity crime, in Florida during the preceding 36 months shall be considered an affiliate.

7. I understand that a "person" as defined in Paragraph 287.133(1)(e), Florida Statutes, means any natural person or entity organized under the laws of the state or of the United States with the legal power to enter into a binding contract for provision of goods or services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person"

includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity.

8. Based on information and belief, the statement which I have marked below is true in relation to the entity submitting this sworn statement. (Please indicate which statement applies.)

   ☑ Neither the entity submitting this sworn statement, nor any officers, directors, executives, partners, shareholders, employees, members, or agents who are active in management of the entity, nor affiliate of the entity have been charged with and convicted of a public entity crime subsequent to July 1, 1989.

   ☐ The entity submitting this sworn statement, or one or more of the officers, directors, executives, partners, shareholders, employees, members, or agents who are active in management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989. (Please attach a copy of the final order.)

   ☐ The person or affiliate was placed on the convicted vendor list. There has been a subsequent proceeding before a hearing officer of the State of Florida, Division of Administrative Hearings. The final order entered by the hearing officer determined that it was in the public interest to remove the person or affiliate from the convicted vendor list. (Please attach a copy of the final order.)

   ☐ The person or affiliate has not been placed on the convicted vendor list. (Please describe any action taken by, or pending with, the Department of General Services.)

Sanjay Patel
Name (Print)

Signature Date: 4-15-13

STATE OF FLORIDA

COUNTY OF Volusia

PERSONALLY APPEARED BEFORE ME, the undersigned authority, who, after first being sworn by me, affixed his/her signature at the space provided above on this 15 day of April, 2013, and is personally known to me, or has provided FL DL as identification.

Stacy M Reed
Notary Public

My Commission expires: 9-3-2016

Notary Public State of Florida
Stacy M Reed
My Commission EE 831972
Expires 09/03/2016

ATTACHMENT "C"

CITY OF PALATKA

DRUG-FREE WORKPLACE CERTIFICATION

The below-signed Proposer certifies that it has implemented a drug-free workplace program. In order to have a drug-free workplace, a business shall:

1. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violation of such prohibition.
2. Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
3. Give each employee engaged in providing the commodities or services a copy of the statement specified in paragraph 1.
4. In the statement in paragraph 1., notify the employees that, as a condition of working on the commodities or contractual services that are under proposal, the employee understands the terms of the statement and will notify the employer of any conviction of, or plea of nolo contendre to, any violation occurring in the workplace no later than five (5) working days after such conviction.
5. Impose a sanction, require a fine or require satisfactory participation in drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is convicted.
6. Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

As the person authorized to sign this statement, I Certify that this firm complies fully with the above drug-free workplace requirements.

COMPANY: SHP HOSPITALITY LLC

CITY: ST- AUGUSTINE STATE: FL ZIP CODE: 32084

TELEPHONE NUMBER(S): 813- 846-1130

SIGNATURE: [illegible]

NAME (TYPED OR PRINTED): Sanjay TITLE: MGR

EMAIL: Sanjay6488@yahoo.com