



## Helms/Clarion Proposal Addendum #1

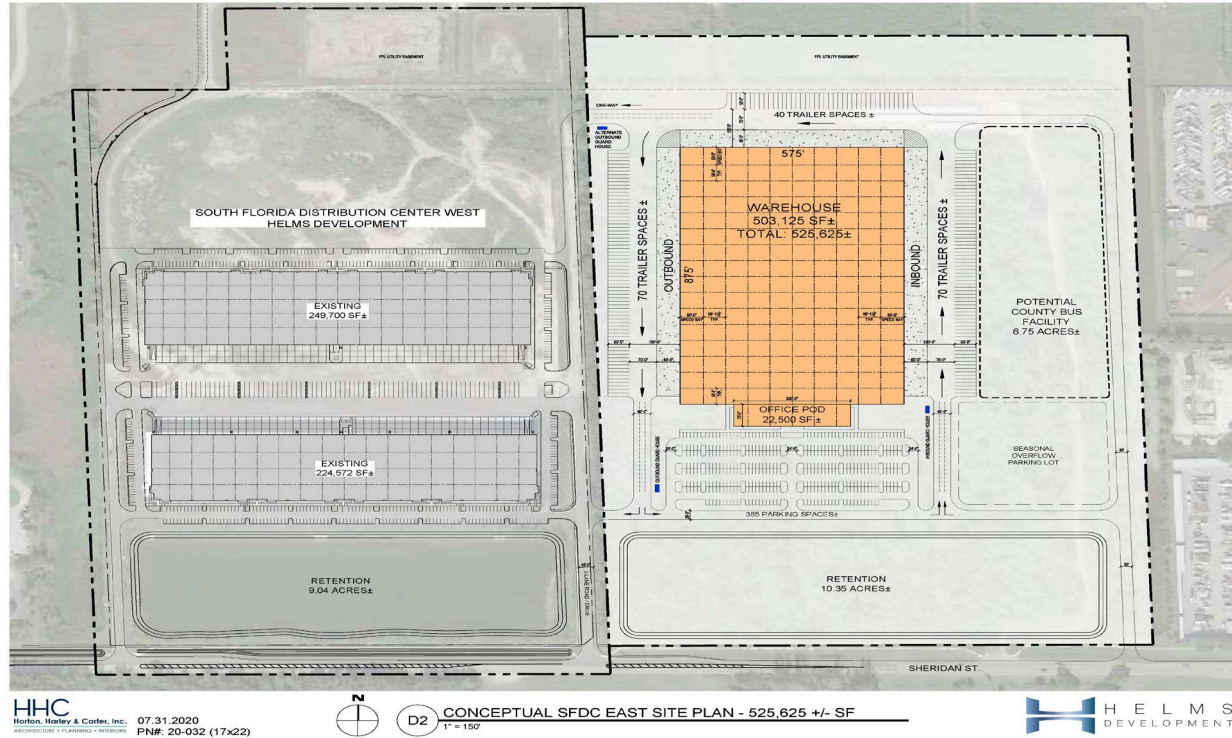
### **Question #1- A description of the qualifying project, including the conceptual design of the facilities or a conceptual plan for the provision of services, and a schedule for the initial and completion of the qualifying project.**

We are proposing for the project to be a logistics/industrial park. We have had preliminary discussions with a large E-Commerce company and once an agreement is made with the County, we will finalize our deal with them. It is the intent they will anchor the site and potentially take the entire site. If not, we will add another building to the development. We have two site plans in the original proposal. One as a speculative logistics park and the other is anchored by the E-Commerce company.

The buildings would be a similar design as the adjacent logistics park that Helms developed. This will give the appearance of a master planned park with similar look and design. Helms Development's strategy has been to develop quality master planned parks with covenants and restrictions, similar architecture, combined security, combined infrastructure, landscaping, lighting, etc. We have found that master planned developments attract higher quality companies.



## Conceptual Site Plan



This proposed plan includes a 525,625 square foot E-Commerce logistics facility and with the excess land a potential western Broward County Bus Facility. If the Broward Bus facility isn't needed, the site would be redesigned to add another building. There are several models from the E-Commerce company that could fit on this site. Another one they are considering is a 268,000 Sort Facility. The plan will be finalized with the developer upon awarding the Bid.

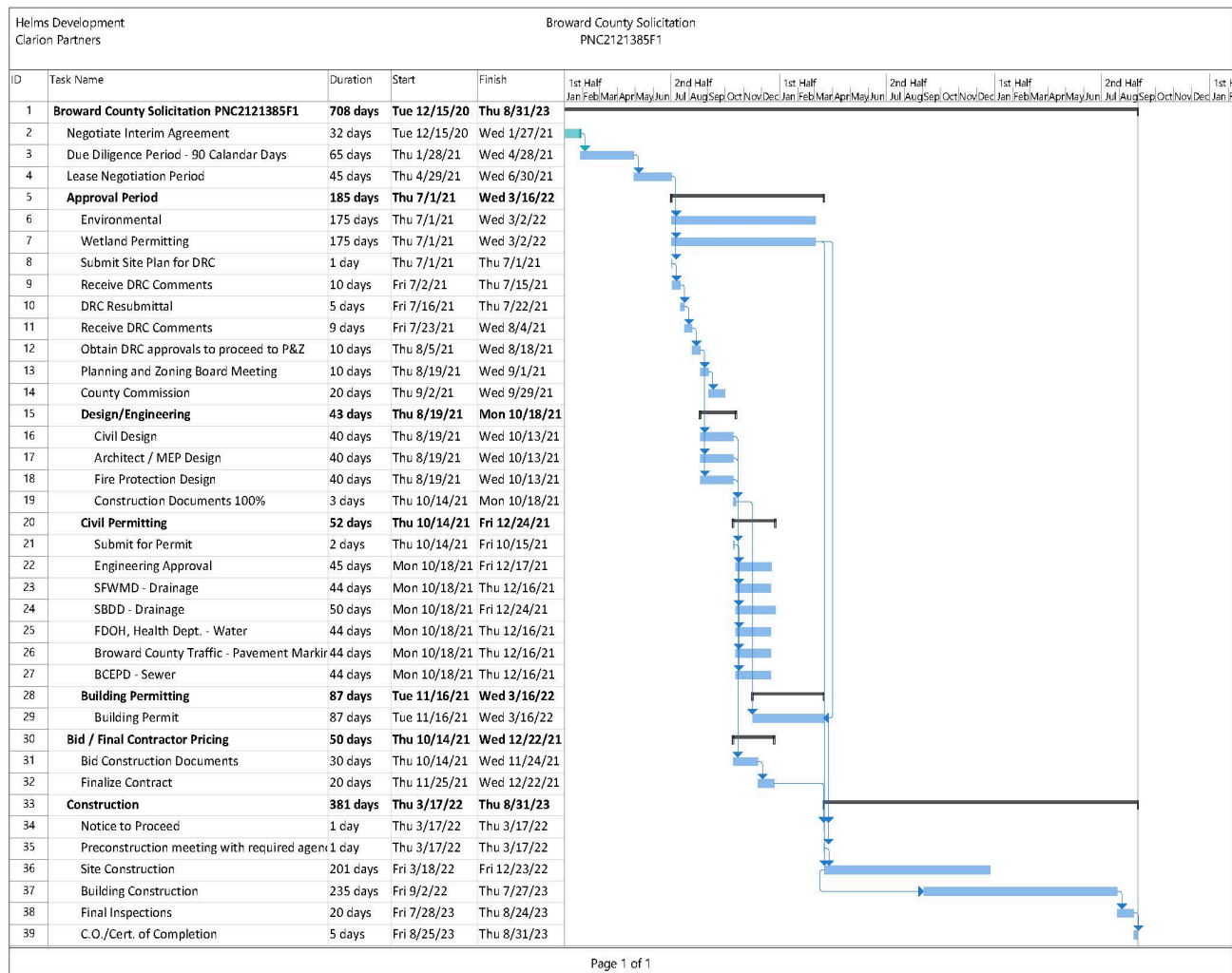




## Proposed Schedule

Land Use and Zoning both allow for the development of a Logistics Center. The Plat Note Amendment needs to be modified to allow 850,000 square feet of logistics space. While this is occurring, we will be working on environmental approvals including wetlands, civil design and architectural design.

We will engage the E-Commerce company immediately upon positive notification of this bid. In summary, it will take about a year to get all approvals and about a year to develop the project.



**Question #2 – A description of the private entity’s general plans for financing the qualifying project, including the sources of the private equity’s funds and the identity of any dedicated revenue source or proposed debt or equity investment on behalf of the private entity.**

Clarion Partners Industrial Group was chosen by Helms Development as a partner due to their strong balance sheet and financing capabilities, their experience with Land Leases including Opa-Locka Airport in Dade County and their relationships with large E-Commerce companies.

Nationally, the Industrial “Group” manages and owns 759 industrial properties consisting of more than 175 million square feet and with a current value of \$20.1 billion. The development would initially be funded by one of Clarion Partner’s open-fund vehicles. With over \$56.4 billion in total assets, they have ample liquidity to fund the acquisition and infrastructure internally with all cash. Prior to starting building construction, the venture would secure third party construction financing.

Helms Development will have a minority interest (5% to 10%) in the venture and will be responsible for all local responsibilities. At completion, Clarion Partners Industrial Group will acquire Helms Development’s interest and they will own the asset long-term. We are the only development entity whereby the project will be owned long-term and not immediately flipped to another entity at completion.

**Question #3- The proposed fees, lease payments, or other service payments over the term of a comprehensive agreement, and the methodology for and circumstances that would allow changes to user fees, lease payments, and other service payments over time.**

The Helms/Clarion partnership is proposing a 50-year land lease with a 25-year option to renew. With the option to renew, the lease becomes more financeable and will allow the developer to become more competitive with the tenants. We also propose a market rate that would be comparable to two of the land leases that are in the South Florida market – Port Everglades and Opa-Locka Airport. We believe there will be substantial site costs which will include fill for the site, utilities, additional roadways, etc. We believe this cost could be around \$6,000,000 based on the infrastructure on the adjacent site.

Helms Development has previously improved the infrastructure to this site by adding a turn lane on the southern boundary on Sheridan Road and also developing a roadway along the western border that we preserved to benefit this parcel.

Port Everglades is a 50-year land lease with land rents starting at \$.55 PSF and increases in year 2 to \$.69 PSF, then stabilizing at a 1.4% annual increase. Port Everglades is considered a top location for logistics with it’s access to the Port. The lease is structured to start either at CO or 26 months whichever is sooner. Broward paid the developer \$2.5 million for site costs to be paid at CO.

Opa-Locka Airport has terms that exceed 70 years based upon the development schedules. The initial land rent is \$.45 PSF

Our proposal would be a 50-year term with a 25-year option at market. The initial rate would be a market rate similar to Port Everglades and Opa Locka Airport which ranges from .45 to .55 PSF. The infrastructure cost would need to be taken into consideration. We would start with the Port Everglades

lease as the model. Once the lease is approved by all parties, it will be locked in for the term of the lease.

In addition to the Lease Fees, Broward County would receive impact fees, concurrency fees, and permit fees during the construction process. The County will also receive ad valorem taxes.

**Question #4 – The proposed capital investment associated with the project including details of the nature and type of the projected investment (i.e.: equipment, leasehold, improvements, etc).**

The project is anticipated to have one or two buildings and should total to 700,000 square feet. Based on this square footage, the capital investment could be:

Land Improvement:	\$6,000,000
Building Improvements:	
700,000 Sf @150 PSF	\$105,000,000
Interior Improvements:	
Racking systems/Conveyors	
700,000 SF @ 40 PSF	\$28,000,000
Soft Costs/Security/Misc:	<u>\$2,000,000</u>
Total Improvements:	\$141,000,000

**Question #5 – Number, type, and salary ranges of projected jobs created.**

The first phase will be construction. The Partnership will hire a local contractor who will help manage the CBE process with the Development Team. During the construction phase we estimate to have from 200 to 250 employees on the project. We intend to dictate a minimum wage of \$15.00/Hour. Jobs to be included:

Professional Design Firms (Arch/Eng)	10-20*	\$75,000 to \$150,000**
Due Diligence Firms	10-20	\$75,000 to \$150,000
Construction	150-200	\$32,000 to \$75,000
Site Work & Clearing		
Concrete		
Steel		
Plumbing		
Electrical		
Roof		
Glass		
Fire		
Signage		
Lighting		
Landscaping& Irrigation	15-25	Minimum \$15/Hour
Maintenance Firms	25-50	Minimum \$15/Hour
Total	210-315	

Notes: \* Numbers of employees based on estimates from Contractor

\*\* Salaries based upon conversation with Contractor and May 2019 Occupational Employment Statistics for the Tri County area.

Following completion of the construction of the project. We will work with the Tenants to hire locally through the OESBD and Broward Economic agencies such as Career Source Broward.

If the tenant becomes the National E-Commerce Company, their corporate policy is a minimum wage of \$15/Hour. In their fulfillment centers, the minimum wage starts at \$15/Hour, 401(k) with 50% match, up to 20 weeks paid parental leave, paid time-off, holiday overtime pay, career training, prepay tuition, and medical plans. Depending on the type of facility, the number of employees can range from 500 to 1500. Fulfillment associates range from at \$34,476 per year to \$42,557 per year. Managers range from \$34,476 to \$70,000 per year. They have other positions that average up to \$150,000 per year. All of their employees receive full benefits.

Total jobs 210 to 315 during construction and 500 to 1500 in the final development depending on the final development plan and the size and use (shifts) of the facilities.

### **Question #6 – Detailed description of the commitment to utilization of Broward County Certified Small Businesses.**

If awarded the project, we would have an initial meeting with Sandy-Michael McDonald and his team to lay out a framework for the utilization of CBE's. Once the framework is determined, we will work with the OESBD staff to begin the search for qualified contractors and subcontractors. Once the project starts, we will have monthly calls to continue the process until project completion.

As previously said, we would have a strategy of a minimum goal of 25% vendor participation with a target of 30% similar to the Balfour Beatty's target at the Convention Center. The initial opportunities would be with the due diligence efforts:

- Property Surveying
- Environmental Surveys
- Wetland Survey
- Marketing

During the design phase, opportunities would include:

- Landscaping Design
- Civil Design
- MEP Design
- Signage Design
- Marketing Consultants

During the Construction Phase, our contractor would work with the Director on:

- Site Clearing
- Site Work Contractors or Subcontractors
- Irrigation Contractors
- Plumbing Subcontractors
- Electrical Subcontractors
- HVAC Contractors
- Security Contractors
- Signage Contractors

- Landscape Contractors
- Lighting Contractors
- Low Voltage
- Fiber Optics
- Exit/Emergency Lighting
- Site Clean-up subcontractors

Following construction, we would need ongoing property maintenance to include:

- Landscape Maintenance
- Parking Lot Maintenance
- Lighting Replacement Maintenance
- Possible Security Contractors

We are committed to hire locally. At the adjacent property, **99% of our contractors and subcontractors were based in South Florida and most in Broward County.**

I understand the difficulty for small firms to compete against large national firms. **Helms Development LLC is a small Broward based business competing against larger regional and national firms.**

## **Question #7 – Description of ongoing community development partnerships beyond this project.**

### **Helms Development/CenterPoint Properties/Port Everglades**

Helms Development brought in CenterPoint Properties to acquire the leasehold interest of PE-ILC at Port Everglades. Alongside, CenterPoint and Avison Young, Helms was co-developer of the two warehouses that have recently been completed for IWS and a speculative building. The project will be owned long-term by CenterPoint Properties. Helms will be paid out by the partnership by year-end.

### **Clarion Partners Industrial Group/Opa Locka Airport**

The “Group” was the equity partner for the Carrie Meek leasehold at Opa-Locka Airport. They now own the 800,000 square foot distribution center occupied by Amazon and another warehouse with an additional 240,000 square feet.