

**COMPSON
ASSOCIATES, INC.**

December 19, 2008

Mr. Kurt Bressner, City Manager
City of Boynton Beach
100 E. Boynton Beach Boulevard
Boynton Beach, Florida 33425

Re: Relocation Proposal for City of Boynton Beach Town Hall and the Boynton Beach Police Department

Dear Mr. Bressner,

Thank you for meeting with us preliminarily regarding the above captioned proposal. We would like to formally request that the City Commission consider the relocation of the Boynton Beach Police Department to Renaissance Commons in lieu of the construction of a new free standing Police Department location. We would also request the City Commission to consider relocating City Hall to Renaissance Commons and allow us to redevelop the existing City Hall site into a mixed-use project.

As you are aware, the physical plant of the City Hall and the Police Department facility is currently undersized, operationally obsolete, economically inefficient, and most importantly, not capable of sustaining hurricane force winds. Accordingly, City Hall is not only inadequate due to its lack of energy efficiency, its size or its configuration; it is potentially a serious problem in the event a named hurricane hits Palm Beach County. The disruption to City business and the Police Department that would result if City Hall was severely damaged or destroyed could result in a significant loss of income to the City and possible operational chaos for the City and the Police Department. While the City has plans for such an emergency, we would like to offer the City a long term solution for City Hall and the Police Department that makes great economic sense even in these difficult economic times.

MIXED USE, MULTI-RESIDENTIAL, RETAIL AND OFFICE PROPERTIES

FLORIDA OFFICE:
1500 GATEWAY BOULEVARD, SUITE 200
BOYNTON BEACH, FLORIDA 33426
561.244.6650 FAX 561.244.6654

MARYLAND OFFICE:
222 SEVERN AVENUE, BUILDING 14, SUITE 101
ANNAPOLIS, MD 21403
410.267.9777 FAX 410.267.9498

NEW YORK OFFICE:
2465 RIDGE ROAD WEST
ROCHESTER, NEW YORK 14626
585.272.0040 FAX 585.272.9345

Relocation of the Police Department Facility-

We would like to propose the following alternative to the City for the relocation of the Police Department Facility to Renaissance Commons. Based upon the previous budget estimates of approximately Thirty Million Dollars (\$30,000,000.00) for the construction of a free standing facility for the Police Department, Compson believes we can provide a new, state of the art facility for the Police Department at approximately 50% less than the proposed cost of that new facility. This will result in a several million dollar savings to the City of Boynton Beach. Furthermore and very importantly, because of the flexibility of design in our office building, the City can purchase only the space that is needed for the Police Department's existing needs. Room for expansion is available in the same building should the long term space requirements for the Police Department increase in the future. This will allow the City to purchase only what is needed and not have to expend additional funds for future space requirements that may or may not be needed in the future.

Relocation of City Hall-

We are also requesting that the City Commission considers relocating City Hall to Renaissance Commons and allow Compson to acquire the existing City Hall site to build work-force housing in the downtown. The relocation of City Hall to Renaissance Commons will solve the City's space requirements, provide the City with a "state of the art" command center as a "safe" refuge throughout any type of storm, and provide room for the expansion of City Hall in the future; all at a cost that is a fraction of what a new City Hall facility would cost.

We believe the City of Boynton Beach can acquire, fit-up, and occupy approximately 100,000 square feet of new office space which will accommodate both a new City Hall and a new Police Department Facility for Four or Five Million Dollars (\$4,000,000.00) or (\$5,000,000.00) **less than the current estimate being considered by the Commission for the new free standing facility for the Police Department ONLY.**

Not only will Compson provide the office space for substantially less money than the cost of a new facility, we can provide it as quickly or as slowly as it is needed. Due to the flexibility of design in our office building, the City would not be required to provide additional funds for future expansion of either facility since additional office space of up to 68,000 square feet is available in the same building for future expansion.

Work-Force Housing Opportunity-

The relocation of City Hall and the Police Department creates a unique opportunity for the City of Boynton Beach to provide work-force housing for its community. The public often debates the necessity for work-force housing, but unfortunately work-force housing is difficult to achieve. As you are aware, many City employees cannot afford to live in the City of Boynton Beach due to high cost of living in Palm Beach County. With the CRA's assistance, we believe our proposal can help solve the work-force housing shortage that exists in the City of Boynton Beach. Our concept is to design and build two (2) buildings of

approximately 200 units each served by a garage facility constructed between the buildings. This concept is similar to the design that was used to successfully develop Villa Lago Condominiums at Renaissance Commons. This property configuration creates a great community atmosphere, is operationally convenient and efficient, is well received by its occupants, and is a great design concept for the existing City Hall site that is rectilinear in shape.

Work-force housing is important to the growth and stabilization of the entire City of Boynton Beach and specifically to the "downtown redevelopment" initiative that the CRA has been working on for years. The City of Boynton Beach has the opportunity to emerge as a leader in the political field by actively pursuing a solution to work-force housing instead of simply talking about it like many other municipalities. A mixed-use project of this size and caliber at the existing City Hall site would also be a great benefit to helping the CRA achieve their redevelopment goals and objectives for downtown Boynton Beach. We look forward to using our mixed-use development experience to help design a project for downtown that will serve the entire community by providing retail use on the first floor of the building and work-force housing above it.

Compson Associates is prepared to own, operate, and manage the four hundred (400) one (1) bedroom and two (2) bedroom work-force housing apartments. Compson has built, delivered, and managed over 10,000 condominiums and rental apartment properties over its 60 years in business. We are confident that we can provide good, well designed, affordable housing that will assist the work-force residents of the City of Boynton Beach. Compson will also commit to providing a Leeds certified "green building" for the mixed-use work-force housing development and believes that "going green" can be successfully accomplished as part of the over-all plan with the cooperation of the City of Boynton Beach and the CRA.

Net Cost of a New City Hall...Zero

Should the City Commission decide to pursue a mixed-use work-force housing development at the existing City Hall site, Compson Associates is prepared to execute a Contract to Purchase the existing City Hall property for the acquisition price of Fourteen Million Dollars (\$14,000,000.00). Closing would be subject to receipt of approval and issuance of permits to build 400 units of work-force housing at the current City Hall location. The purchase price for the land is based upon a price of Thirty-Five Thousand Dollars (\$35,000.00) per unit for the land and we estimate delivery of the project could occur within twenty-four (24) months of closing on the property.

The Fourteen Million Dollar (\$14,000,000.00) acquisition price paid to the City for the site can be used to offset the cost of acquisition of office space for a new City Hall. Compson is prepared to execute a building sales contract for acquisition of unfinished shell office space at Renaissance Commons at a price of Two Hundred Dollars (\$200,000.00) per square foot. Based upon our most recent cost of tenant fit-up, an additional expense of approximately Forty Dollars (\$40.00) per square feet would be required to fit-out the space for the City's use. Accordingly, we estimate the total cost of finished office space at Renaissance Commons will be approximately Two Hundred Forty Dollars (\$240.00) per square foot. This price will include the free use of one and one-half (1.5) assigned parking spaces in the garage for each 1,000 square feet of office space acquired.

Based upon the Fourteen Million Dollars (\$14,000,000.00) acquisition price for the existing City Hall property and based upon a Two Hundred Forty Dollars (\$240.00) per square foot cost for completed office space at Renaissance Commons, the City could acquire and build-out almost 60,000 square feet of office space for a new City Hall for nearly **no out-of-pocket expense to the City**. **The net cost for a new City Hall would be ZERO**. Furthermore, should additional square footage be required to accommodate City Hall's expansion in the future, we have an additional 68,000 square feet of office space available for future expansion, if and when it is needed.

Location of City Hall and/or Police Department Facility at Renaissance Commons-

As shown on the attached site plan, the entire East Building at Renaissance Commons can be identified as City Hall and/or the Police Department Facility. Signage can be provided at the top of the building along Gateway Boulevard as well as on the first floor of the building together with a dedicated monument sign and flag poles to clearly identify the entire building as City Hall and/or the Police Department Facility. Approximately 12,000 square feet of the first (1st) floor of the East Building will easily accommodate the City Commission Chambers, a multi-purpose use meeting facility, and provide a City Hall Service Center for payment of real estate taxes, water bills, etc. The design and layout of the 1st floor can also incorporate a separate and secure entrance for the Police Department Facility for "walk-in" service together with an impound area in the garage for Police Department use only. The remainder of the new City Hall and Police Department Facility would occupy the second (2nd) and/or third (3rd) floor of the East Building. As previously mentioned, we will provide 1.5 cars of reserved garage parking for each 1,000 square feet of office space purchased by the City for the City's exclusive use from 8:00 am to 5:00 pm daily at no additional cost or expense. An additional 1,000 cars of parking is available for the City's non-exclusive use in the surface parking lots and garages throughout the development so parking for visitors will be easily accommodated.

Future Expansion-

As you are aware, Compson Associates operates two (2) floors of self storage in the East Building on the fourth and fifth floors of the building. These two (2) floors of the building will be designated for future expansion for City Hall and/or the Police Department Facility for up to an additional 68,000 square feet of office space if it is needed in the future. Compson is prepared to relocate these storage facilities to another location in Renaissance Commons should the City require additional office space in the future. This allows the City to purchase only the amount of space they currently require, confident in knowing that future expansion is always available. Not having to build and carry "future expansion space" in a new facility is a significant advantage of relocating to Renaissance Commons for both the Police Department Facility as well as City Hall. Compson will provide the City with an option to acquire additional unfinished office space at the same acquisition price of Two Hundred Dollars (\$200.00) per square foot as originally offered with the sales price being adjusted only for the cost of inflation.

Conclusion-

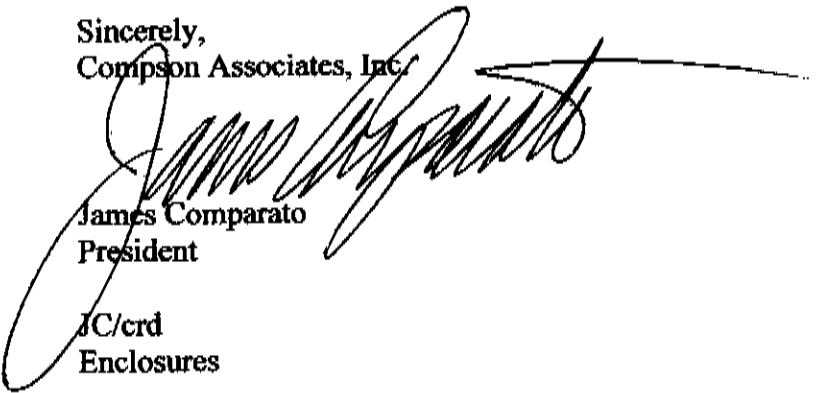
We believe this concept is a win/win scenario for all parties concerned and look forward to meeting with each of the Commissioners to discuss our proposal in detail. It is a unique opportunity for the City to relocate City Hall to a new location at a **nearly no out-of-pocket expense while simultaneously creating work-force housing in the Boynton Beach downtown redevelopment district.** In addition, the relocation of the Police Department to Renaissance Commons will save the City of Boynton Beach millions of dollars based upon the current estimates the City has received for the construction of a new free standing Police Department Facility.

I would be pleased to provide each of the Commissioners with a personal tour of the East Building to show them first hand how the relocation of City Hall and a new Police Department Facility can operate efficiently in the East Building at Renaissance Commons.

We look forward to meeting with each of the Commissioners at their convenience to explain our proposal in more detail and to answer any question they may have.

Thank you for your consideration in this matter.

Sincerely,
Compson Associates, Inc.

A large, stylized handwritten signature in black ink, appearing to read 'James Comparato', is written over the typed name and extends across the page.

James Comparato
President

JC/crd
Enclosures

Cc: Mayor Jerry Taylor
Vice-Mayor Jose Rodriguez
Commissioner Ronald Weiland
Commissioner Woodrow Hay
Commissioner Marlene Ross