



DELRAY BEACH CRA
COMMUNITY REDEVELOPMENT AGENCY

Delray Beach Community Redevelopment Agency

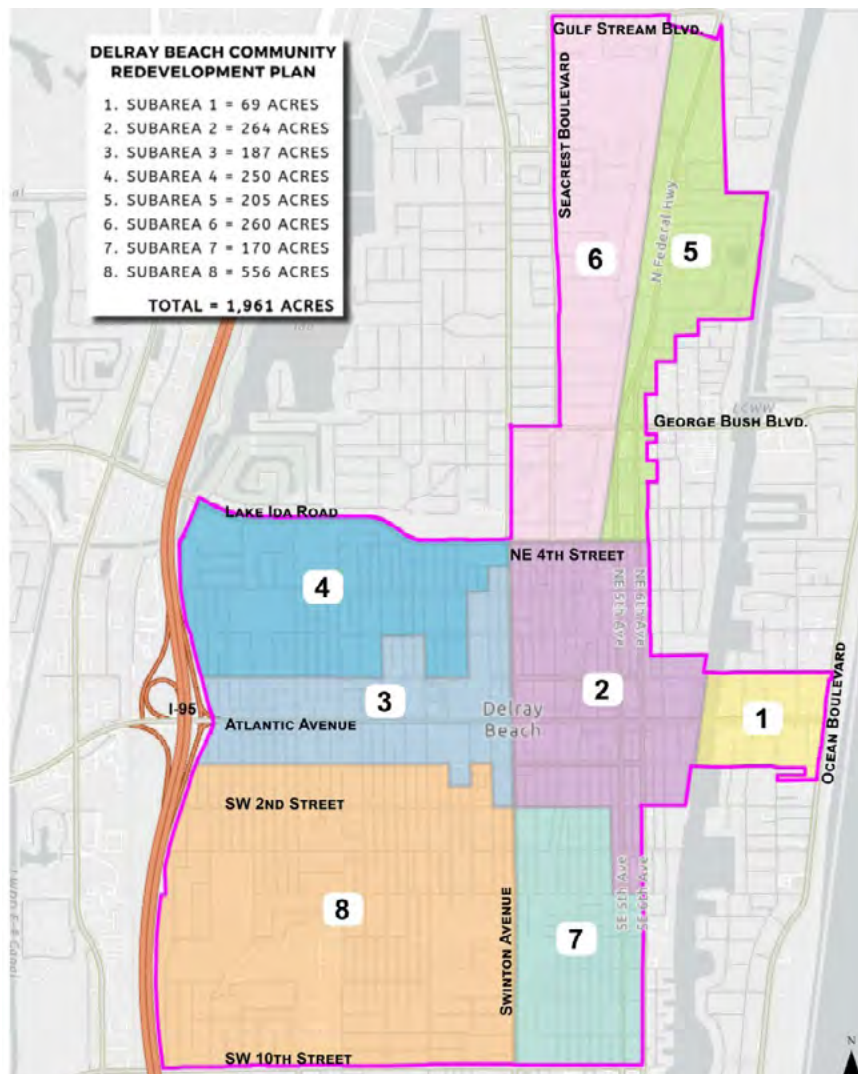
PROFESSIONAL COMMERCIAL REAL ESTATE MARKETING SERVICES
SCOPE AND FEES

Our Understanding

We understand that the Delray Beach Community Redevelopment Agency (CRA) seeks a qualified firm to provide Professional Commercial Real Estate Marketing Services for CRA-owned vacant land properties along West Atlantic Avenue. The CRA's objective is to strategically target potential tenants and/or commercial developers within the grocery, medical (e.g., doctors, clinics), pharmacy, and financial services sectors. Two specific priorities include securing tenants for a CRA-owned medical office building and disposing of a CRA-owned track via a ground lease or a fee simple sale.

As your selected advisor, we will assume responsibility for all customary activities associated with developing and implementing strategic marketing methods and plans for these CRA-owned vacant land properties. Our focus will be on effectively reaching potential tenants and/or commercial developers within the identified target sectors.

Our role will extend beyond traditional advisory services. We aim to serve as your trusted advisor, collaborating closely with you to thoroughly explore potential scenarios, analyze their financial and strategic implications, and strategically market your project to the most suitable developers, investors, and retail users. Our comprehensive suite of services includes, but is not limited to, acquisitions, dispositions, leasing transactions, and development advisory.



Acquisition Services

By purchase or lease

Our approach is grounded in careful planning and preparation to ensure that the CRA's operational and financial goals are met, and that the solution is executed seamlessly and with minimal risk to the organization. CBRE can perform all services necessary and customary in representing the CRA in acquisition transactions, such as:

- Review your geographical search parameters
- Prepare a comprehensive market study of available properties, along with an interpretation and assessment of relevant market trends
- Analyze potential site plans and their corresponding feasibility for the City's uses
- Conduct due diligence investigation of each potential property's suitability for the City's requirements
- Assist in determining appropriate shortlist of candidate properties
- Prepare and negotiate property purchase or lease agreements
- Analyze term sheets received – both financial and non-financial proposed terms, as well as build-out cost and time frame implications
- Prepare presentations comparing alternatives for the CRA
- Assist in selecting a primary and fallback locations
- Solicit draft transaction documents from selected sellers and/or landlords
- Assist the CRA and legal counsel with purchase and/or lease negotiation process
- Coordinate execution of all transaction documents

Key Acquisition Services

- | | |
|-------------------------------|---------------------------|
| - Space Planning | - Competitive Process |
| - Lease Vs Buy Analysis | - Site Comparison |
| - Consolidation Opportunities | - Test Fits |
| - Location Analytics | - Due Diligence Support |
| - Market Engagement | - Negotiation & Execution |

30%
SF Reduction

A-A+
Performance rating from
Florida state agencies

\$100M+
Lease term savings

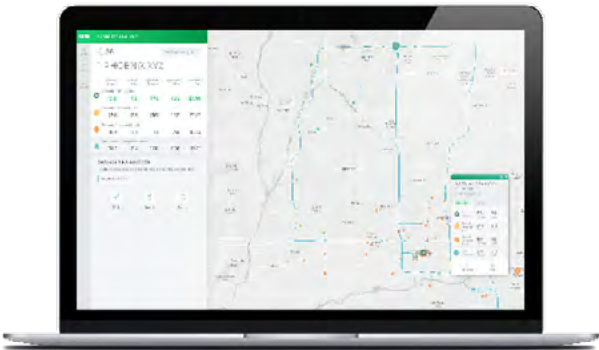
Enabling technology included at no cost to the CRA

Acquiring property by purchase or lease in support of operational goals



Dynamic mapping and intelligent site selection with *CBRE Dimension*.

Keep bad commutes from driving away top talent with *Commute Optimizer*.



Take the guesswork out of test-fits with *CBRE Floored*.

Public Sector Decision-Making Framework



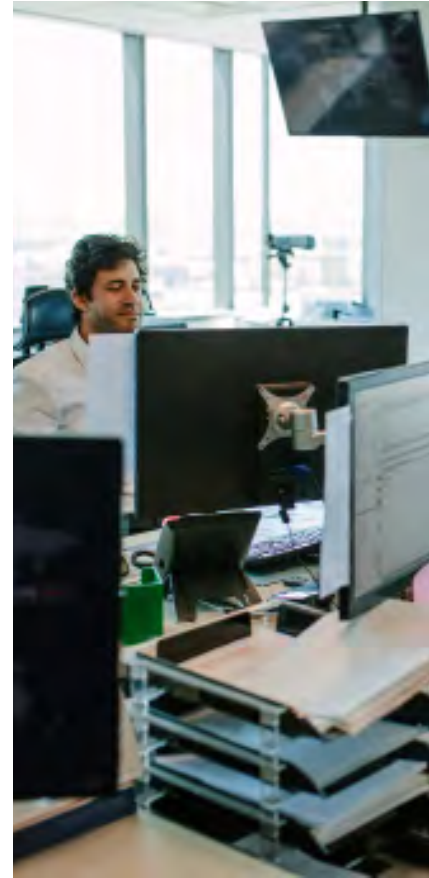
Disposition Services

In the event the CRA seeks to sell property, CBRE offers the world's leading sales platform and proven, transparent process for the disposition of public sector real estate. With this perspective, we can advise the CRA on its best options for monetizing property, from fee simple sales, to ground leases, up to and including recommending hold strategies if necessary. CBRE's local, regional, and global network and databases allows our clients' access to developers, finance professionals, and investors that no other firm in the industry can match.

We analyze the property and marketplace in order to implement an aggressive marketing strategy and create excitement and motivation in the market, something especially important during unpredictable market cycles when many participants retreat to the sidelines. CBRE's marketing campaigns create visibility on a local, national or global scale, and we consequently successfully close transactions, even on assets that have proven difficult to sell or in challenging market conditions.

Our specific approach to securing buyers rests on a number of principles:

- develop high quality creative marketing strategy designed to achieve the highest value in as short a timeframe as possible
- cast as wide a net as possible in the potential offer pool to generate competition and leverage for the CRA
- communicate to the market the development opportunity that exists for profitable and productive development
- not only market the site, but the community, the Delray lifestyle, and the Delray culture
- a thorough due diligence process and full disclosure of same to provide buyers with as much information as possible to facilitate a clean sale with no re-trades



Prior to marketing, CBRE will work with the CRA on the following “pre-market” activities to ensure a successful outcome:

Market Analysis

Identify market trends and comparable transactions for the property based on current market conditions and demand.

Assessment of Public Engagement

Assess the property, its community linkages, and what level of engagement with neighboring landowners, campus community, and general public would be appropriate. This assessment will be ongoing throughout implementation to ensure public feedback is incorporated at multiple points in the transaction process as appropriate.

Development Potential & Valuation

Calculate a reasonable value range for the property based upon highest and best use, density, and phasing of redevelopment.

Target Buyer List

Create a list of buyers whose profiles best fit the property the CRA is offering. This list will be in addition to CBRE's proprietary list of global investors and developers seeking opportunities.

Market Strategy

Develop property specific branding and materials to market the site, including offering memorandums, due diligence materials, and a property website.



Based on consultations with the CRA, the team will develop property specific branding and materials, including offering memorandums, due diligence materials, and a website for interested parties.

Our marketing plan includes development of electronic, as well as hard copy, marketing materials by professional graphic designers. The result is an appealing, highly polished collection of marketing materials that sets the stage for the offering. We leverage the CBRE technology platforms by creating materials for both electronic and print mediums.

After we create the necessary materials to launch a multi-channel marketing campaign, we set the streamlined process in motion in order to create a competitive environment.

This phase in the process includes:

- Market internally to over 9,000 CBRE brokers worldwide and externally to 25,000+ direct contacts
- Launch initial announcement blast through DealFlow
- Listing of properties on public sites including CoStar, LoopNet, MLS when appropriate
- Email blasts and/or mailed announcement flyer
- Accept inquiries and answer questions from prospective buyers
- Court qualified investors and distribute Offering Memorandum/RFP
- Conduct buyer site tours
- Receive first round of offers

#1 Investment Sales Firm 19 years in a row

- All property types: land, campuses build to suits, office buildings, golf courses, marinas, etc
- Aligning procurement policies with market expectations
- Intelligent negotiation to achieve your goals
- Reducing your risk throughout the transaction



Access the largest real estate network in the world

CBRE's proprietary Deal Flow platform connects investors to the largest, most diverse for-sale inventory, and we put this data to work to anticipate trends and drive our industry-leading sales volume. Deal Flow brings together a highly targeted audience of pre-qualified buyers and matches them with global office inventory to accelerate performance and deal velocity. Combined with CBRE's market insights and CBRE Econometric Advisors' predictive analytics, CBRE Deal Flow connects properties and portfolios with the right buyers at the right time.

Negotiating and closing the sale

CBRE will create and maintain a competitive environment throughout the disposition process. Creating competition among bidders by carefully controlling information (while complying with the CRA's requirements) is a key element of this process. We pride ourselves on running clean and defensible negotiations and transaction strategies that withstand scrutiny and public attention. The team will solicit draft transaction documents from selected buyers, analyze offers and counteroffers and provide like kind comparisons of buyer terms to recommend the optimal path for the CRA. CBRE will work with the CRA's selection team to review all proposals on a like-kind basis and participate in the respondent due diligence and selection process. Our team will implement a fair, confidential negotiation and closing process that includes:

- Evaluating offers with the CRA including financial analysis of various offers including price, terms, contingencies, and their relative merits to the CRA
- Sending out "best and final" letters to the top buyer prospects along with due diligence materials
- Receiving best and final bids
- Conducting buyer interviews
- Buyer selection
- Executing agreements necessary to contract sale
- Opening escrow upon delivery of contract and deposit
- Facilitate the buyer's due diligence, including review of title and survey, zoning, physical inspection and market reviews
- Facilitate buyer's conventional financing requirements if applicable
- Address any issues necessary for closing
- Close escrow
- Successfully transition to new ownership



Leasing Services

In the event the CRA engages CBRE to lease existing buildings to tenants, CBRE's team provides a comprehensive leasing solution, including market analysis, rent determination, lease negotiation, and administration. Our experienced agents create a customized leasing strategy to secure high-quality tenants and achieve optimal occupancy and rental rates, ultimately increasing the value of the property.

Successful Campaign Process

CBRE utilizes a signature process to thoroughly examine and understand the assets of each agency assignment before developing a comprehensive marketing and leasing strategy. Based on an objective review of the project, as well as competing properties and the surrounding market, our strategy leverages our current network of relationships and applies it to the unique demands of a property. This five-step approach is outlined below:

1. DISCOVERY	2. CANVASSING	3. MARKETING	4. MEETINGS/ SHOWING	5. CLOSINGS
– SCOT analysis – Data analytics – User profiling – Identify targeted tenants – Market identification	– Direct user canvassing – CBRE database – CBRE network – CBRE SPOCs – Brokerage community Consultants – Equity sources	– Advertising – Press releases – Email campaigns – Direct mailings – Marketing flyers – Website(s) – Signage – Broker events – MLS/CoStar/LoopNet	– Local broker calls – Local broker showings – Property/market tours – Target meetings with industry leaders, corporate end users and business development groups	– Lease/contract negotiation – Executed transaction – Project management of planned build-out

CBRE ADVANTAGES FOR THE CRA

- Proven methodology for attracting tenants and rapid lease-up
- Best in class technology and reporting tools to streamline coordination with your real estate staff
- Unique collaboration between markets and service lines to leverage relationships in Global Workplace Solutions, Project Management, and Location Intelligence

RESULTS:

- Reduced lease costs due to less turnover
- Fully leased portfolio performing to projections
- Healthy tenant base with rent payments offsetting tenant improvement costs
- Confident, data-based decision-making due to market insight and technology tools



Proven Methodology for Producing a Tenant

DIRECT TENANT SOLICITATION

- CBRE Research maintains canvassing notes for the competitive buildings in each major market for use in identifying potential prospects and building-specific canvassing.
- We also create a “prospect profile” of users to solicit in order to inspect available space.

TENANTS-IN-THE-MARKET REPORT

- CBRE Research maintains a list of tenants with active space requirements.
- CBRE brokers to solicit possible tenants, analyze tenant requirement trends, and advise clients on lease-up strategies based on the latest market intelligence.

CURRENT CBRE CLIENTS

- Our unique culture of collaboration fosters communication and partnerships between markets and service lines to find opportunities for creative real estate solutions while maintaining client confidentiality.
- Beyond leasing vacant space, CBRE Landlord Representatives leverage relationships with clients in Global Corporate Services, Capital Markets, and Asset Services to provide multiple real estate solutions for each client.

BROKER SOLICITATION

- CBRE maintains a mailing list of thousands of real estate brokers to whom we regularly distribute marketing materials.
- For unique offerings, such as new developments or special incentives for cooperating brokers, hosted broker events at the property or at neighboring amenity locations build awareness and establish a brand.

MEDIA PLACEMENT

- Strategic press announcements reach a wide audience at no cost. CBRE Florida cultivates strong relationships with all media outlets and is frequently consulted and quoted for trends and industry news.

THIRD-PARTY MARKETING OUTLETS

- CBRE has customized marketing tools developed with LoopNet to market availabilities. These are visible to the public and at no cost to the client and linked through CBRE websites.
- As a first stop by many brokers seeking space availability, CoStar is also used to ensure information is reaching the broadest audience possible.



Development Advisory Services

CBRE offers the world's leading platform and proven, transparent process for the retail development of public sector real estate. With this perspective, CBRE can advise the Delray Beach CRA on its best path forward to deliver an impactful project that furnishes your community with your desired tenants. From fee simple sales, to ground leases and P3 development option, CBRE's local, regional, and global network and databases allows our clients access to developers, finance professionals, and investors that no other firm in the industry can match. We analyze the property and marketplace in order to implement an aggressive marketing strategy and create excitement and motivation in the market, something especially important during unpredictable market cycles when many participants retreat to the sidelines.

At the start of the assignment, the CBRE team will:

- Meet with the CRA and any required stakeholders including city leadership and elected officials, to confirm all assumptions, current understanding, and any planned changes to the existing data and project goals
- Confirm our receipt of the information provided to date about the CRA's goals for the project, previous space planning and cost estimating deliverables, and ask any questions or request any additional documentation that may have become available
- Be available for CRA questions and CRA-desired refinements to this scope of work

Equipped with this information, the team will embark upon a four-phase proven process outlined below and described on the following pages.



Overall these steps will enable the CRA to:

- Capitalize on the favorable market conditions for retail development currently available throughout Florida
- Maximize each potential opportunity while controlling your risk
- Create customized marketing materials that promote the substantial economic potential and the financial upside for a developer
- Attract qualified buyer/developer proposals that are responsive to your goals and beneficial to your community
- Support your negotiation with interested parties to deliverable defensible, fair, and beneficial projects
- Ensure each transaction achieves your vision and maximum economic benefit for Delray Beach

PHASE 1: DUE DILIGENCE & PLANNING

At CBRE we work with municipalities nationwide undertaking similar redevelopment and sale challenges. We work with our clients to deliver important pre-planning efforts such as:

- highest and best use analysis
- lease suitability analysis and valuation
- massing and density analysis as compared to surrounding uses and zoning
- bundling and phasing recommendations to maximize value and avoid flooding the market
- market analysis confirming the viability of the desired use types from your 2012 needs assesment

With this level of analysis CBRE can then recommend a transaction strategy that aligns market forces with your property's characteristics. The team will fully review the documentation provided and other work completed on the land parcels to date such as site plans if any, preliminary financial or market analysis if any, etc. We will make recommendations and updates on these elements where appropriate and incorporate the CRA's feedback as well.

Areas for investigation include:

- How much density is possible and desirable on a site given its size, layout, traffic patterns, and relationship with surrounding uses?
- What is the market demand for the CRA's desired uses? Will the uses and densities desired translate to a market-oriented project?
- What are the likely values associated with each of the use types envisioned at various rates of density?
- What transaction structures make the most sense for the CRA based on your goals?

CBRE also recommends preparing preliminary massing/site plans at this stage to both visually and mathematically demonstrate to buyers/developers the scale and density of the development that can be achieved and the corresponding financial upside. We regularly partner with a third-party technology and architectural firm that provides these services quickly and seamlessly. Construction cost estimates must also be updated to reflect sharply increased costs post-pandemic. CBRE has entered into a strategic partnership with Turner & Townsend, a leading global cost consultancy that is available to provide updated construction cost estimates based on the required square footage, uses and corresponding parking.

Assess Development and Revenue Potential Available

Additionally, our advisement could include the assesment of the surrounding parcels beyond your current area of focus along West Atlantic Ave between SW 6th Ave and SW 9th Ave that have substantial development potential or have near-term development plans. These sites could be used for income-producing development and partially offset the costs of participating in redevelopment projects and reduce the amount of financing required. At all times CBRE will seek to optimize any offering to the CRA's benefit. Our comprehensive partnership will ensure compatibility with an overall strategy to improve West Atlantic Ave and promote its long-term success.

PHASE 2: RFP DEVELOPMENT & MARKET ENGAGEMENT

In consideration of the CRA's ownership of multiple parcels, we've discussed the issuance of a unified RFP. This strategy aims to maximize flexibility and efficiency by allowing developers to submit proposals for one, several, or all of the properties.

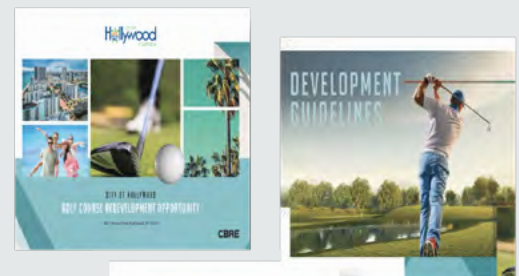
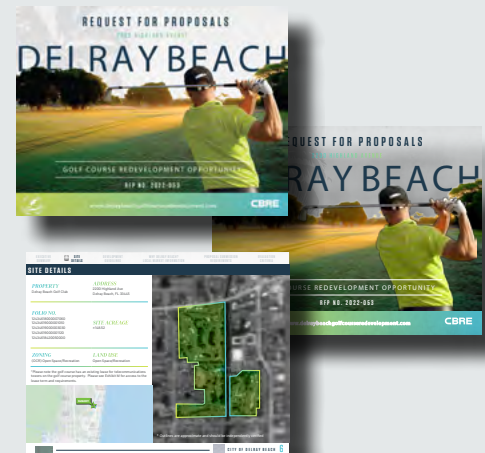
Subject to the CRA's concurrence with the due diligence findings and recommendations in phase 1, whether through one RFP or multiple, the CBRE team will collaborate with the CRA'S project team to develop and implement a solicitation process to engage prospective developers, investors and/or users by performing the following tasks:

- With your input, CBRE will apply the firm's best-in-class resources and proven RFP writers and designers to act quickly to create customized world-class marketing materials that incorporate the findings of the massing and density analysis and detail the desired project, required information, selection process, respondent qualification criteria, project approach, value parameters, etc.
- The RFP will include detailed requirements regarding the desired capacity, features, and connectivity to the existing neighborhoods, as well as specifications on the mix of uses the CRA desires, underwritten by the findings in Phase 1. It will also detail evaluation criteria, the selection process, submission requirements, and include any necessary documentation required by you.
- If the CRA requests and engages CBRE to represent it in the market, CBRE will refine our proprietary developer prospect list based on market specialization, financial capability, and compatibility with your goals for your property, incorporating development specialists, grocery-anchored developers, retail developers, and more. We will cast a wide net and provide you with an integrated team with a cohesive approach to your site.

At the CRA's discretion, CBRE can oversee the offering process on your behalf, managing all communications, hosting site tours, disseminating documents, contacting respondents for clarifications, answering questions, and collecting responses - all with your representative's integrated participation and direction.



SAMPLE MARKETING COLLATERAL



Subject to your statutory requirements, the RFP document will require detailed submissions from proposers, including conceptual designs, development pro formas, a detailed capital stack and financing plan for the project, and other submission requirements. The goal is to solicit information that demonstrates the developer's proven ability to finance and perform the elements required by the CRA to a high standard of quality. Specific requirements will include but not be limited to:

- A complete development plan showing the developer's approach to delivering the requested project on the specific site(s) including renderings, site plans, unit/use mix, density, parking, etc.
- Pro formas of the project(s) including returns as it relates to the valuation of the property
- A detailed description of participation scenarios including options, ground leases, joint venture participation, etc.
- The experience of the company as it relates to similar mixed-use developments, including references
- A strategy for engagement with community stakeholders
- Development timeline, schedule, and milestones
- Acceptance of binding requirements issued by the CRA
- Guarantees and risk reduction to your benefit



Sample marketing materials for Municipal Projects



Sample Oceanfront Redevelopment Offering Memorandum



Sample Offering Memorandum

Marketing Strategy

When you partner with CBRE, you unlock the industry’s leading marketing platform. Our team will deliver a tailored marketing strategy specific to your goals, develop a highly polished collection of materials and apply tactics and technologies that will communicate the unique value and opportunity at the CRA site.

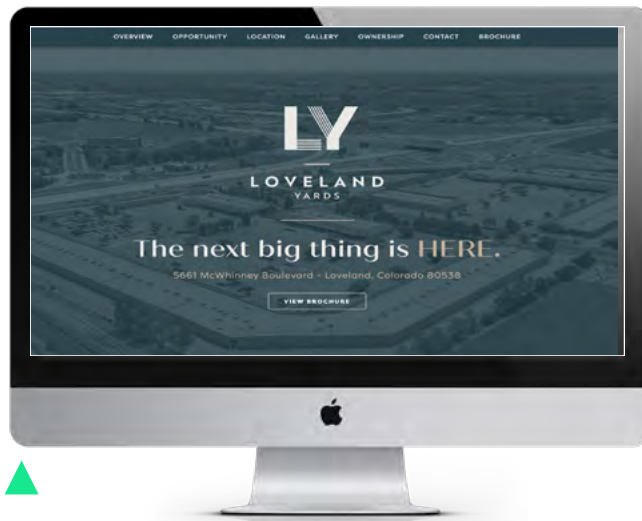
Leveraging the firm’s best-in-class resources, CBRE will deliver a sophisticated suite of custom marketing collateral complemented by virtual experiences that enable potential investors to “tour” properties from anywhere in the world—a critical element of success under current market conditions. Our bespoke marketing practices will generate powerful impressions, even if the opportunity to physically experience the offering does not exist.

Our integrated suite of virtual marketing solutions delivers maximum results.

Property Website

Our in-house web professionals are available to provide a new website experience or update availabilities using your existing web presence.

Click graphics for sample websites



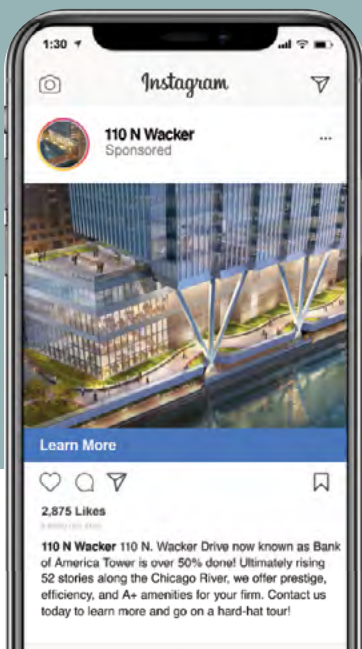
NEXT LEVEL EXPOSURE

CBRE leads all commercial real estate brokerage firms in terms of print and online media coverage, according to Cision, an independent media monitoring company.

CREATIVE MARKETING
BROCHURES WILL BE
CREATED TO CONVEY
DELRAY BEACH'S
ADVANTAGES & POTENTIAL



GETTING SOCIAL



Prioritizing Share-Worthy Content

- Construction progress & space updates
- Deal announcements
- Property videos and virtual tours
- Editorial news and media coverage

Broadcast the Opportunity

EMAIL CAMPAIGNS/PROPERTY WEBSITE

- Uses CBRE's proprietary e-marketing system (campaignLogic)
- Extensive connection database
- Phased transmission to tenants and brokers
- Dedicated Web page along with CBRE Company sites, where we receive 35,000+ hits monthly

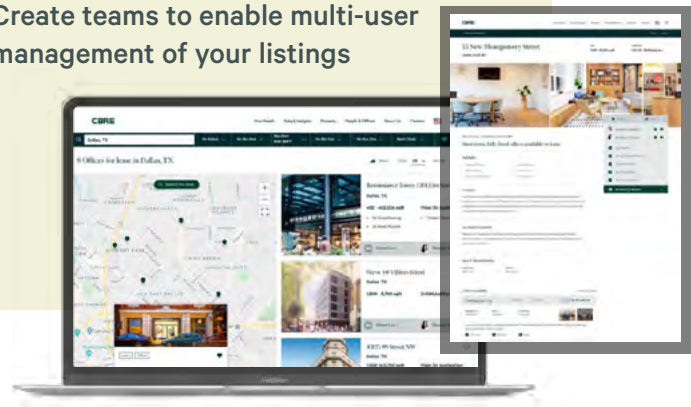


CAPITALIZE ON STRONG BROKER RELATIONSHIPS

- Meetings with local brokers to discuss the opportunity and report back to the CRA
- Host on and off-site broker events
- Send out bi-weekly e-blasts of the progress to local and national brokers
- Present opportunity at local, regional and national ICSC events when appropriate

CBRE LISTINGS

- Optimize online visibility and SEO
- Control information displayed and make updates in minutes
- Easily export and send listing information to third-party listing sites
- Create teams to enable multi-user management of your listings

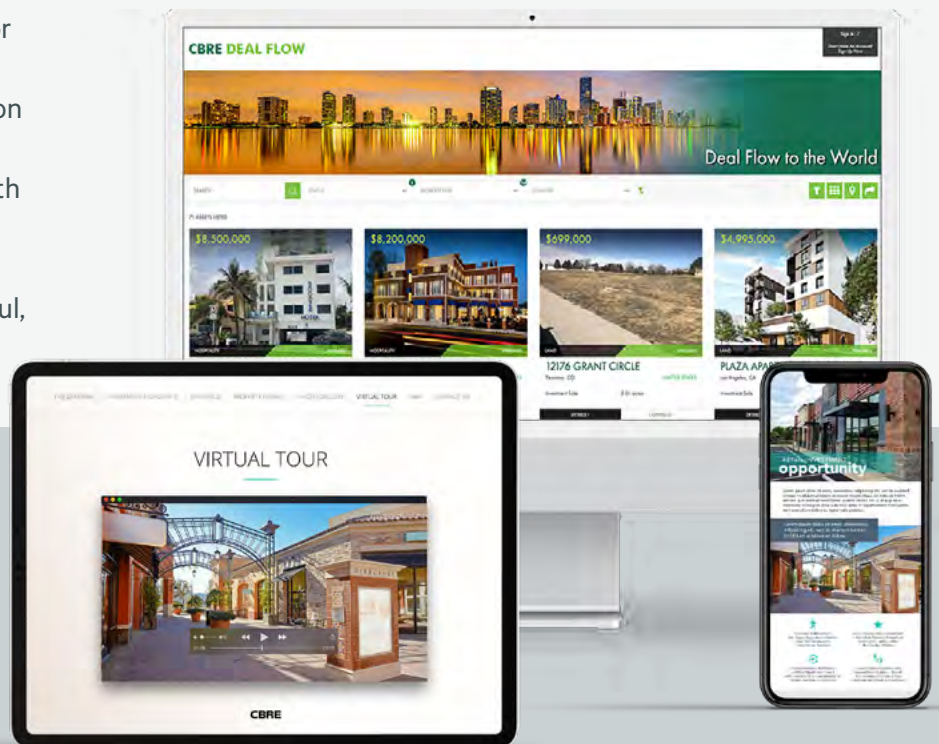


CBRE Deal Flow

Our platform to assure maximum exposure for your project to over one million potential investors and developers

YOUR GLOBAL GATEWAY

Deal Flow is CBRE's global listing platform for all investment sales. This digital, all-in-one marketplace streamlines the entire disposition process and enables a highly customized property marketing execution—complete with website and email marketing, full-coverage tracking, a secure virtual deal room and sophisticated reporting that offers meaningful, actionable data.



BENEFIT TO THE CRA

Listings on CBRE Deal Flow are exposed to a growing database of more than 1.1 million global investors. This exposure, along with CBRE's unmatched breadth of transaction and bidder data, allows us to link qualified buyers to the right opportunities at the right time, resulting in maximized value for your Delray Beach project.

1.1M+

Investors in Our Database

430+

New Deals Brought to Market
Each Month

150K+

Site Visits Per Month



PHASE 3: PRELIMINARY PROPOSAL EVALUATION

CBRE will support the CRA's evaluation and selection committee's activities as an independent body. When offers are received, CBRE will complete a thorough analysis of the financial projections and plans of the developers and opine on their feasibility and reasonableness. We will present information for your consideration on best path forward for the project based on rigorous review of items such as:

- Overall strength of the offers, including revenue viability and details of the project to be delivered
- Overall plan for the retail development and any additional commercial development
- Risk assessment for each finalist team (including but not limited to closing contingencies / certainty, development plan, financing, construction, and delivery)
- Financial return to you including evaluation of transaction terms and assumptions

The review process will adhere to the evaluation criteria provided with the solicitation and include items such as:

- Was all requested information provided?
- How well do respondents achieve the qualifications requirements established in the offering?
- What is the respondents' past experience on comparable office and mixed use projects?
- What feedback did the developers' references provide? Are there red flags?
- How well-capitalized are the respondents? Will they have the sources and proof of debt and equity to deliver the project?
- How qualified are the individuals proposed to work on the project?
- Are construction costs and rent assumptions within market?
- Is the development timeline realistic?



The CBRE team will compare all proposals on a like-kind basis and support the CRA due diligence and selection process considering the following:

- Submission quality including objective and subjective criteria
- Interviews with proposal teams
- Proposer financial strength and experience with similar developments at this scale
- Risk issues for all parties

Vetting developer assumptions to prove project viability

CBRE provides development and construction professionals to examine developer proposals for assumptions and risks that may impact the project’s viability. We break down the buzzwords into plain language to ensure the project will deliver as promised.

Specifically, CBRE’s Project Management (PJM) team will complete the following tasks to review and analyze received proposals in detail and render a qualitative analysis in each of the following areas:

Cost Study

- Detailed review of all hard construction and project soft costs
- Review of all the metrics (costs per square feet and/or unit) to establish benchmark relativity to the market and the industry
- Contingency levels held including forecasts for market escalation
- Assessment of financial risks
- Review of clarifications, assumptions, and qualifications of cost
- Review of costs held for potential off-site development, impact fees, infrastructure improvements and services

Schedule Analysis

- Based on the proposed improvements and assumptions in the proposal, we will develop a critical path baseline schedule
- The baseline schedule will include durations and activities related to typical jurisdictional approvals including zoning and permitting, design, procurement, site prep, onsite construction, off-site improvements, and commissioning
- The baseline schedule will then be compared to the proposed project timeline. The proposer’s schedule will be tested against our baseline’s critical path in an effort to extract inconsistencies or conflicts in the schedule logic. Any inconsistencies will be flagged and included as follow up items in the final report.

Feasibility and Constructibility Review

- Review the design and structural composition of the proposed improvements and facilities, ensuring they are in keeping with the City’s space and quality standards
- Compare the design elements against the site geometry, surrounding improvements, and the environmental conditions of the planned construction area
- Review and comment on any specific construction details or methods if included in the developer’s response
- Identify any logistical challenges to the proposed improvements such as access, use restrictions, geotechnical or sea wall concerns
- Comment on any procurement or other market conditions that may impact or cause significant change to the intended improvements. This may include but not be limited to global market pressure on construction commodities, geographic shortages in skilled construction labor, etc.



Sample Feasibility Analysis

PHASE 4: PARTNER SELECTION & TRANSACTION EXECUTION

Following the findings in Phase 3, CBRE will work with the CRA to finalize your choice for the preferred developer. This process may take the form of a “Best and Final Offer” (BAFO) round of submissions if allowed by your procurement procedures. We have found that BAFO rounds can be very useful in competitively improving targeted aspects of a transaction (pricing, deposits, timing, etc.). Following the completed RFP/BAFO round, you will be in a position to select the right development partner that best meets your needs. CBRE’s team will work with the CRA’s legal counsel to create a detailed business term sheet that will become a Letter of Intent (LOI) for the Project. The LOI is an important document for memorializing the important details of the transaction as we move into the final document negotiation and execution phase.

Upon execution of the final LOI, we will move into the final phase of the transaction process. This will involve drafting, negotiating, and executing the binding documents that govern the relationship between the City and the selected development partner. We anticipate that the final binding documents will include a Development Agreement (governing the relationship prior to construction), a Ground Lease (governing the period of the construction and the ground lease term) and a long-term Operating Agreement (if separate from the ground lease). The CBRE team assigned to this project has significant experience with these documents (and negotiating the same).

We pride ourselves in assisting our clients not only with the “big picture” aspects of the financial results but also in all the details that could affect the economic return, risks or schedules of the project. CBRE will assist with negotiating and executing all necessary documentation including but not limited to:

- Letter of Intent
- Land leases
- Development and Operating Agreements
- Common area and/or required easements
- Joint Venture Agreements if applicable

CBRE will provide deliverables and documentation supporting the justification for the final decision, and an implementation roadmap for next steps to achieving the project.



Broker Opinion of Value (BOV)

In some cases, a Broker Opinion of Value (BOV) may be preferred to a formal appraisal. Although a BOV is not provided by a certified appraiser, it is a very useful tool to gauge potential value of a property. This value estimate can be used to evaluate various scenarios, test the market, and develop financial models for returns, development potential, and more. CBRE determines the competitive market price for properties by visiting the property, collecting pertinent information and

details - such as income, expenses, physical condition, deferred maintenance, tax, zoning, and environmental data - as well as assessing the local macro conditions that may impact value such as job growth, transportation, population growth, etc. After reviewing the information and analyzing recent comparable sales and leases, CBRE provides a Broker Opinion of Value (BOV) based on the value that the market will place on the property. CBRE's BOV includes:

BOV CONTENTS

I. EXECUTIVE SUMMARY

SUMMARY

PROPERTY OVERVIEW

KEY CONSIDERATIONS

OPINION ON RANGE OF VALUE

- High Value Range
- Probable Value
- Low Value Range

II. PROPERTY OVERVIEW

PROPERTY DESCRIPTION

PROPERTY ANALYSIS

- Strengths, Weaknesses, Opportunities, Threats
- Preemptive Due Diligence

SITE CONSIDERATIONS

- Access and Street Improvements
- Traffic Count (if applicable)
- Topography and Drainage
- Impairments
- Soils (if reports are available)
- Utilities (Availability and Sources)
- Flood Zone
- Hazardous Materials and Operation
- Zoning and Community Plan
- Easements, Encroachments and Restrictions

LOCATION DESCRIPTION

- Strengths and Weaknesses

NEIGHBORHOOD DESIRABILITY

PRIOR ASSESSED VALUE

DEMOGRAPHICS

- Past 3 Years; 1, 3 & 10-mile Radius

III. MARKET OVERVIEW

SUBMARKET OVERVIEW

BARRIERS TO ENTRY

LEASE & SALE COMPARABLES

- Property Photos
- Addresses
- Square Footage
- Lease Rate/Sale Price
- Terms of Lease/Sale
- Date Leased/Sold
- Pertinent Comments

NEW CONSTRUCTION

PLANNED DEVELOPMENTS

FUTURE COMPETITION

IV. OPINION OF VALUE

VALUATION CONCLUSION

PURPOSE OF PRICING OPINION

VALUATION METHODOLOGY

Methodologies Considered:

- Comparable Sales Approach
- Income Capitalization Approach
- Replacement Cost
- Residual Land Value

ASSUMPTIONS

- Revenue Assumptions
- Expense Assumptions
- Other Assumptions

COMMENTS

1-YEAR PRO FORMA

10-YEAR CASH FLOW

Sample BOV



Pricing

CBRE’s compensation is typically in the form of brokerage commissions for transaction services, and fixed price not to exceed pricing for consulting or advisory engagements.

Consulting Services

At your request, CBRE will work with the the CRA to develop scopes of work that fit your unique needs. These services may include specific property reviews, space utilization studies, portfolio optimization analysis, workplace strategies, development analysis, or other advisory engagements. The work will be priced on a fixed price not to exceed basis based on the scope.

Purchases and Sales

When representing the CRA in the purchase of property, CBRE will first pursue payment of our commission from the seller. In the event the seller will not pay a commission after commercially reasonable attempts to obtain one (not including litigation), CBRE will seek payment from the CRA at the below rates. These rates will also apply when representing the CRA as a seller.

Property Price Categories	Commission based on final sale/purchase price
\$1 up to \$1,000,000	6%
\$1,000,001 up to \$2,000,000	5%
\$2,000,001 up to \$4,000,000	4%
\$4,000,001 up to \$6,000,000	3.5%
\$6,000,001 up to \$8,000,000	3.25%
\$8,000,001 and up	2.5%

Lease Transactions

Retail

Commissions will be paid by the CRA at a market rate of 6%, with the fee split equally between the tenant and the landlord representatives.

When representing the CRA as a landlord in the event the tenant is not represented by a broker, commissions will be paid by the CRA at a rate not to exceed 4%.

Office

Commissions will be paid by the CRA at a market rate of 6%, with 2% paid the to landlord’s representative and 4% to the tenant representative.

When representing the CRA as a landlord in the event the tenant is not represented by a broker, commissions will be paid by the CRA at a rate not to exceed 4%.

Broker Opinion of Value

CBRE’s compensation for performing a Broker Opinion of Value will be structured on a per-property basis, with a rate of \$500 per property.

Development Advisory Services

CBRE's compensation will take the form of a monthly retainer payable by the CRA ranging from \$5,000-\$15,000 for our services throughout the transaction planning and execution process.

In addition, CBRE will be paid a Success Fee for Development Advisory Services by the selected Developer, calculated on the Total Project Cost on a sliding scale as listed below. Total Project Cost (TPC) is defined as all hard and soft costs of the project including but not limited to; the value of the land plus infrastructure, design, and construction costs as proposed by Developer.

SERVICE	PAID BY	AMOUNT	TIMING
Consulting services for marketing, RFP development and distribution, bid analysis and documentation	CRA	Between \$5,000-\$15,000 / Month	Monthly upon notice to proceed
Transaction and development advisory brokerage	Developer	Per sliding scale listed below	30 days of execution of development agreement

SUCCESS FEE	TOTAL PROJECT COST TRANCHE
3.50%	\$0 - \$10 M
3.00%	\$10 M - \$20 M
2.50%	\$20 - \$30 M
2.00%	\$30 M - \$50 M
1.50%	\$50 - \$100 M
0.95%	\$100 M or greater

The Developer shall pay the success fee within Thirty (30) days of execution of all purchase agreements between the CRA and the Developer. CBRE will specify the fee arrangement and payment terms in the RFP issued by CBRE on the CRA's behalf and stipulate that said fee is to be paid by the developer is a condition for consideration of the Developer's proposal to the CRA.

Following execution of the marketing process and evaluation of developer proposals, if the CRA or its stakeholders for any reason decide not to move forward with the project and do not execute the transaction documentation that would enable CBRE to be owed a commission by the developer, the City will pay to CBRE a "break-up" fee of \$350,000.

In the event that our Agreement or any particular engagement to provide the Services ends without a signed transaction, within 30 days of that ending, CBRE shall provide the CRA with a list of all parties with whom CBRE was engaged in active negotiations with respect to transactions for which fees could be earned under this Agreement. CBRE shall also provide the CRA with written evidence of such negotiations. If within one year after such expiration or termination date, the CRA enters into any agreement of sale, lease, sublease or other written agreement with a party on such list for which a fee would have been earned hereunder, CBRE shall earn the fee provided for under this Agreement to the same extent as if the Services had not expired or terminated. Upon the expiration of the one year period, CBRE may present to the CRA for its consideration an extension of the fee protection period for any existing transactions which remain active and imminent. The CRA shall not be obligated to extend such period, but the Parties shall negotiate in good faith a fair compensation arrangement for the work performed by CBRE (or its Subagents) prior to termination. This paragraph shall survive the termination or expiration of our Agreement.

Thank you.

CBRE

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