

October 5, 2015

By Hand Delivery

Rick Fernandez
Assistant City Manager
300 S. Adams St., Fourth Floor
Tallahassee, FL 32301

Vince Long
County Administrator
301 S. Monroe St., Fifth Floor
Tallahassee, FL 32301

Re: *Re-planning for Canopy Planned Unit Development*

Gentlemen:

On behalf of Ox Bottom Mortgage Holdings, LLC ("Ox Bottom"), I am writing to bring you up to date on the status of our work to re-plan the Canopy Planned Unit Development ("Project") and begin actual development of this 505-acre property. We appreciate the time and thought that you and your staffs have put into our initial discussions. We are confident that, with further work by all concerned, we can soon begin to realize the promise of this strategic landholding in Northeast Tallahassee.

As you know, Ox Bottom is the contract purchaser of 247 acres of land fronting on Fleischmann Road and an adjacent 259 acres which includes Dove Pond. The latter parcel is adjacent to 428 acres of land acquired by the City of Tallahassee from Powerhouse, Inc., in 2006, and fronting on I-10.

During our current due diligence periods with the two sellers, Ox Bottom is working hard to refine the plan for Canopy to make it more viable in the Tallahassee real estate market, from aesthetic and financial perspectives. We are proposing these revisions to the approved plan for Canopy:

- **Reduce residential development by 17 percent**, from 1,572 units to 1,300 units (and inclusionary housing from 126 units to 100 units).
- **Reduce retail and office development by 30 percent**, from 163,000 SF to 115,000 SF.
- **Reduce institutional development by 28 percent**, from 335,000 SF to 240,000 SF.
- **Reduce vehicular trips on external roads by 48 percent.**

Our revised plan will include a new commitment to provide the City with land and entitlements for a senior center (5 acres and 55,000 SF). We will retain the commitments to provide the right of way for Welaunee Blvd., land and entitlements for an elementary school (7 acres and 100,000 square feet); fire station (2 acres); and water well site (3 acres). Our revised plan will increase the entitlement for the fire station from 5,000 SF to 15,000. Consistent with current approvals, these facilities will be constructed at governmental expense.

As a working draft, the revised plan will be closely similar to the current approved plan for the Project. Further, it will be consistent with the original vision for this property when the City and County approved the Welaunee Critical Area Plan (Toe) in 2002.

- **Traffic will be reduced on historic canopy roads.** A 2005 study showed the completion of Welaunee Boulevard and the Dempsey Mayo Extension will reduce traffic on Miccosukee Road by 12 percent with greater reductions forecast on other off-site roads in the immediate vicinity.
- **Improved stormwater management will alleviate off-site flooding.** The Dove Pond Regional Stormwater Facility has been designed to manage off-site runoff from 321 acres north of Centerville Road, which has caused repeated flooding in Lafayette Oaks and other neighborhoods south of Miccosukee Road. The Dove Pond facility will manage that runoff as well as stormwater in the Canopy project, Welaunee Blvd., and the adjacent City-owned parcel.

These benefits and others can only be realized if Canopy is put on a sound footing so that actual development can commence. We are convinced that the changes we are proposing to the Canopy plan—coupled with the revised financing for Welaunee Boulevard and Dove Pond outlined above—will set the stage for a viable development in this area, which has been identified since 1990 as an important future growth corridor for Tallahassee and Leon County.

Again, let me thank you for your cooperation and assistance to date. We look forward to working with you in the future.

Sincerely,

A handwritten signature in blue ink, appearing to read "Steve Ghazvini", with a long horizontal flourish extending to the right.

Steve Ghazvini
Manager