

Please note; given that submitted proposals may vary with regard to the number of available properties proposed for use, the City reserves the right to select more than one proposal as "preferred," provided they do not conflict with one another (e.g., do not include multiple uses for the same property).

Acquisition Price. The purchase price will be determined by a negotiation between the city and the selected proposer. The proposed sale price should be factored into financial documents provided at time of submission. Proposals that provide the highest total investment will be favored. The degree of private participation in a project is an evaluation factor.

Environmental Conditions. The successful Proposal(s) will assume all responsibility for all conditions on the site. The selected Developer will be authorized to perform a Phase I and Phase II environmental assessment on the Premises within ninety (90) days of the date of acceptance of the Proposal, at Developer's discretion and expense. In the event that the assessments disclose environmental conditions requiring remedial work, the Developer will have the option of performing any necessary remedial work, or of withdrawing its Proposal. Under no circumstances shall the City be considered responsible for remedial work.

Subsequent Approvals and Closing Procedure. The successful Proposal is subject to City Planning Board and City Council approvals, as may be required. In connection with the approval process, the successful Developer will be required to submit information sufficient for compliance with the requirements of NYS Environmental Conservation Law Article 8, Environmental Quality Review (SEQRA). The successful Developer would obtain Site Plan approval from the Planning Board. Any proposed zoning amendments or variances necessary for the project would also be subject to Zoning Board of Appeals and/or Planning Board and City Council approvals.

Closing and transfer of the property to the successful Developer(s) will take place when the Developer(s) has obtained all such required approvals. Closing will take place at the time of closing of the construction financing by the Development Team. Construction should start within 30 days of closing. In the event construction ceases for any unreasonable period of time, the City may deem the project abandoned and the property will revert to the City.

The City reserves the right to reject any or all proposals and to select any one proposal at its sole discretion. The City reserves the right to negotiate with the successful Developer as to any terms contained herein.



PROPOSAL INSTRUCTIONS

A. SUBMISSION OF PROPOSALS

RFP respondents are required to submit six copies of their proposal. The proposal must contain the information requested in the submission requirements. ***Proposals must be submitted and received on or before 12:00 pm, November 17, 2017*** by mail or hand delivered. No facsimile or electronically submissions permitted. Six copies of the proposal shall be delivered:

Mr. Douglas Janese
Purchasing Agent – City of Niagara Falls
City Hall Room 214
745 Main Street
City of Niagara Falls, New York 14302-0069

B. LATE SUBMISSIONS

Submissions received after the date and time prescribed will not be considered.

C. REVIEW

All complete proposals shall be reviewed by the Selection Committee and selection of a preferred developer will be chosen on or about December 8, 2017

D. RIGHT OF REJECTION

The Selection Committee reserves the right to reject any or all proposals in whole or in part. Proposal rejection is at the sole discretion of the City Administration and shall not incur any direct or indirect financial exposure to the City of Niagara Falls for the costs incurred unless such eligible costs are contained in the DSA as authorized by the City Council in due session authorizing such.

The items previously described herein must be submitted by all respondents to be considered for exclusive development rights. Failure to place relevant information in the structure outlined in the RFP shall be deemed non-responsive.

Additional information regarding the site and the proposal requirements can be obtained from the Economic Development Office. Questions should be directed to:

Mr. Anthony Vilaro
Director of Business Development
anthony.vilaro@niagarafallsny.gov
716.286.4480



GENERAL TERMS & CONDITIONS

The City makes no representations or warranties whatsoever with respect to this RFP, without limiting the foregoing, representations or warranties as to: the accuracy or completeness of any information or assumptions contained in or provided in connection with this RFP or otherwise furnished to respondents; the use or development, or potential use or development, of the Project or any portion thereof; the physical condition, environmental condition, layout, configuration, size, boundaries, access, location, systems and utilities for all land and improvements constituting the Project and for the adjacent properties; the absence or presence of hazardous substances or toxic materials in, under or upon the Project and the adjacent properties; compliance with environmental laws; tax assessments that may be made by the City, tax rates that may be established by the City and/or the amount of PILOT payable; and the suitability of the Project for any specific uses or development.

Each respondent shall make its own analysis and evaluation of the Project Site, including, without limiting the foregoing: the physical condition, environmental condition, layout, configuration, size, boundaries, access, location, systems and utilities for all land and improvements constituting the Project and for all adjacent lands; the absence or presence of hazardous substances or toxic materials in, under, or upon the Project Site and adjacent lands; compliance with environmental laws; and the suitability of the Project Site for any use or development. Each respondent shall obtain its own independent legal, accounting, engineering and technical advice on all matters relating to the Project, including, without limiting the foregoing: examination, review and verification of any information provided by or on behalf of the City; land and improvements constituting the Project Site and adjacent to the Project Site; all local laws, regulations and conditions that may affect the use and development of the Project; and all other matters that may be material.

Respondents shall not rely upon any statement or information given to respondents by the City including, without limiting the foregoing, any information contained in this RFP or made available pursuant to this RFP, or otherwise.

In the event that the selected respondent does not execute a Development Agreement for the Project, the City may, in their sole discretion, invite any of the other respondents to participate in a further competitive process to determine a new selected respondent.

In addition to those terms and conditions stated elsewhere, this RFP is subject to the following:

- a. The preferred developer must comply with all applicable federal, state and local laws and regulations.
- b. The preferred developer must accept the Project Site in "as is, where is" condition on the date of disposition.
- c. Conveyance by the City shall be governed by a Development Agreement.
- d. Demolition, removal, alteration or conversion of any existing improvement or portions thereof at the Project Site is to be performed at the sole cost and expense of the preferred developer after closing under the Development Agreement.
- e. The City will not pay for or refund any costs and expenses incurred by any respondent in responding to this RFP or subsequent selection stages or by any preferred developer following selection and/or designation.
- f. All determinations as to the completeness or compliance of any response/proposal or as to the eligibility, qualification or capability of any respondent will be within the sole and absolute discretion the City.
- g. Selection or designation of any respondent pursuant to this RFP or subsequent selection stages will not create any rights for the respondent including, without limitation, rights of enforcement, equity or reimbursement. The City shall have no obligation or liability whatsoever to any person or entity whose response/proposal is selected or designated as a result of this RFP unless and until a Development Agreement shall have been fully executed and delivered by all parties thereto and all necessary consents and approvals necessary for the City entry into such agreement have been obtained, and then all such obligations and liabilities shall be solely in accordance with the terms and conditions of such Development Agreement.



- h. A respondent may be rejected if the City determines, in its exercise of sole and absolute discretion, that such respondent, any respondent partner, or member of a respondent team or any principal, partner, officer, director, affiliated person, or principal shareholder of the respondent, of any respondent partner, or of any member of a respondent team, has been convicted of, or pled guilty or nolo contendere to, a felony or crime of moral turpitude, is an "organized crime figure," under indictment or criminal investigation, or is in arrears or in default on any debt, contract, or obligation to the City or any of their respective affiliates, subsidiaries, agencies, departments or instrumentalities. Each respondent, respondent partner, and member of a respondent team and any principal, partner officer director, affiliated person, or principal shareholder of the selected respondent, respondent partner, or member of the respondent team may be required to complete a background questionnaire with respect to the foregoing, or other matters, and may be subject to investigation by the City. The City is under no legal obligation to dispose of the Project through a competitive bid process. This RFP does not constitute an offer of any nature and does not obligate the City to undertake any action or to proceed with the Project.
- i. The City will review all responses/proposals for completeness and compliance with the terms and conditions of this RFP, and may request from any and all of the developers, at any time during the selection process, additional information, material, clarification, confirmation or modification of any submitted response and/or proposal. The City may also, but is not obligated, to make requests for additional material or for clarification or modification of any submitted response and/or proposal that is incomplete or non-conforming as submitted.
- j. The submission of a response and/or proposal shall constitute the respondent's permission to the City to make such inquiries concerning the respondent and members of the respondent's team, which the City in its sole discretion, deem useful or appropriate including, without limitation, authorization to contact the respondent's bank(s) and credit references, and any other persons identified in the proposal and to obtain pertinent financial and other information. Except at the request or by the consent of the City, in its sole discretion, no respondent will be entitled to change its proposal once submitted.
- k. The City may, at any time, exclude those proposals, which in its sole discretion fail to demonstrate the necessary qualifications for development or which fail to comply with the terms and conditions of this RFP.
- l. Under no circumstances will the City pay or be liable for any costs incurred by a firm/team in responding to this RFP or subsequent stage or in connection with the transfer of the Project Site.
- m. The City reserves the right, in its sole discretion, to reject at any time any or all proposals; to withdraw the request without notice; to negotiate with one or more developers submitting proposals and/or to negotiate with respect to, and dispose of the Project (including to parties other than those responding to this request) on terms other than those set forth herein. The City reserves the right to waive compliance with and/or change any of the terms of this request and to waive any informalities or irregularities in the request process.
- n. Responses and/or proposals shall be accepted from principals only. No brokerage fees, finder's fees, commissions or other compensation will be payable by the City in connection with the selection of a respondent or the disposition of the Project Site. Submission of a statement of interest and/or proposal in response to this RFP or subsequent stage constitutes an undertaking by the respondent to hold harmless and indemnify and defend the City from and against any and all expenses, damages or liability (including, without limiting the foregoing, attorneys' fees and disbursements) arising out of any claim for such fees, commissions or other compensation made in connection with such respondent's response to this RFP or subsequent stage, selection or (non-selection) thereunder or execution (or non-execution) of a Development Agreement.
- o. Respondents of this RFP shall make no news/press release pertaining to this RFP or anything contained or referenced herein without prior written approval from the City. Any news release pertaining to this RFP may only be made in coordination with the City.
- p. No submissions will be accepted from, nor any award be made to, any person or entity that is in arrears in any tax or taxes, or otherwise indebted to the City.



ADDENDUM A

EXECUTIVE PRONOUNCEMENT ON

NEW COMMUNITY BENEFIT AGREEMENT POLICY

WHEREAS, as Mayor of the City of Niagara Falls and a resident of the City of Niagara Falls, I am aware and proud of the diversity of the population within the City of Niagara Falls; and

WHEREAS, I understand that diversity is important to the growth and economic development of all communities, including the City of Niagara Falls, which consists of a population which is 22% African-American, and of the City's total population, 29% are members of a minority group; and

WHEREAS, as Mayor, I believe that it is important for all residents of the City of Niagara Falls to be afforded the opportunity to be employed, and that this is especially true for the African-American population in the City of Niagara Falls where the poverty rate is 40% of that population; and

WHEREAS, I believe that economic development and environmental remediation initiatives in which the City of Niagara Falls participates must be crafted so as to empower all people to achieve improvements in their quality of life, reduce the poverty rate, reduce unemployment and generally create a prosperous economic and cultural environment in the City of Niagara Falls; and

WHEREAS, as Mayor, I have supported initiatives to encourage apprenticeship training programs through Laborers Local 91, the Buffalo-Niagara Trades Association, the Niagara Ministerial Council, Empire State Poverty Reduction Initiative (ESPRI), Niagara Organizing

WHEREAS, as used in this pronouncement, "Minority" means: A United States citizen or permanent resident alien who can demonstrate membership in one of the following groups: (a) Black persons having origins in any of the Black African racial groups; (b) Hispanic persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American descent of either Indian or Hispanic origin, regardless of race; (c) Asian and Pacific Islander persons having origins in any of the Far East countries, Southeast Asia, the Indian subcontinent or the Pacific Islands; or (d) Native American or Alaskan Native persons having origins in any of the original peoples of North America. "Minority and Women Owned Business Enterprise (MWBE)" means: a business that is at least fifty-one percent (51%) minority and or women owned; and

WHEREAS, as Mayor, I believe that in development projects in excess of one million dollars where the City of Niagara Falls is a party and the developer is negotiating to receive financial incentives from the City of Niagara Falls in one form or another, it is important to include community benefit agreement provisions which contain, among other benchmarks, employment goals and opportunities for minority groups and local residents.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the City of Niagara Falls continues to be an equal employment opportunity employer.
2. That the City of Niagara Falls include in development agreements in excess of one million dollars to which the City of Niagara Falls is a party and in which a developer will be receiving financial incentives from the City in one form or another, contain community benefit agreement terms and conditions which require MWBE goals, which include a fair representation of the African American population and African American Owned and Operated Business Enterprises, tailored to the size of the project and the financial incentive provided to the developer by the City of Niagara Falls.
3. That as part of community benefit agreement terms and conditions contained in a development agreement, those terms and conditions include goals for hiring graduates of employment programs under the ESPRI program, and also include goals for local hiring benchmarks specifically drafted for that project.
4. That I, as Mayor, in negotiating development agreements on behalf of the City of Niagara Falls, affirm that I will negotiate development agreements that include community benefit agreement terms and conditions as described herein.



pennterra

November 16, 2017

Confidential

Mr. Douglas Janese, Purchasing Agent
City of Niagara Falls
City Hall Room 214
745 Main Street
City of Niagara Falls, New York 14302-0069

Attention: Mr. Douglas Janese, Purchasing Agent

Dear Madam/Sir:

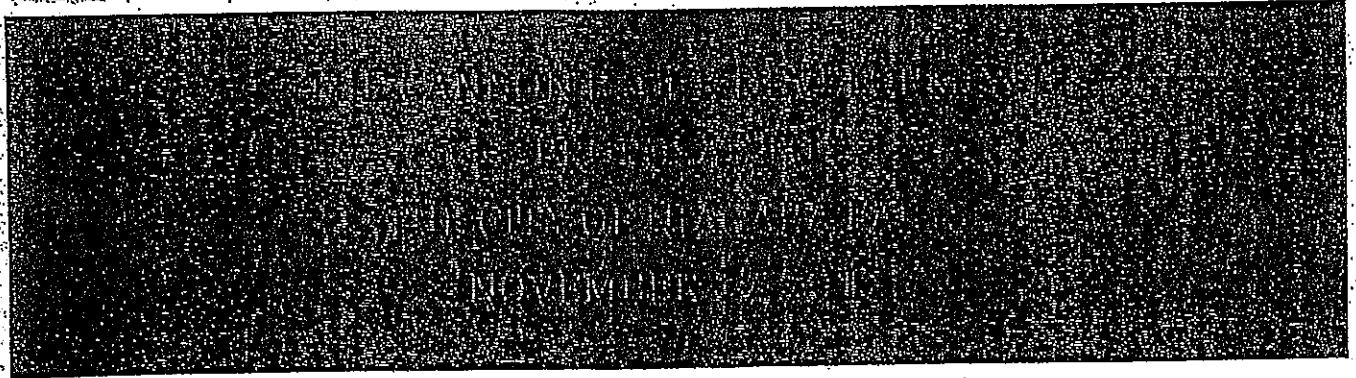
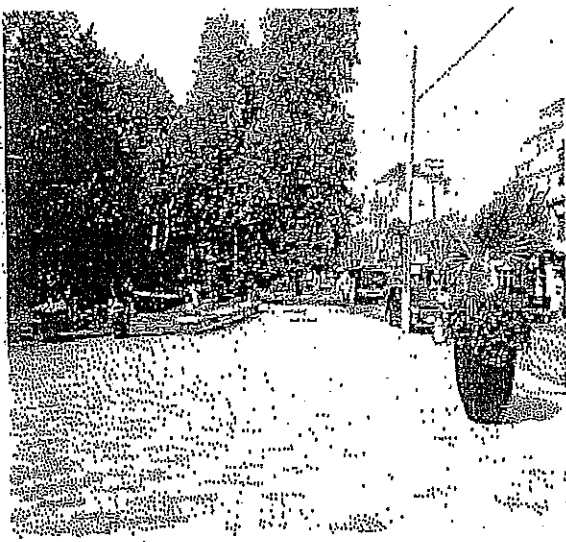
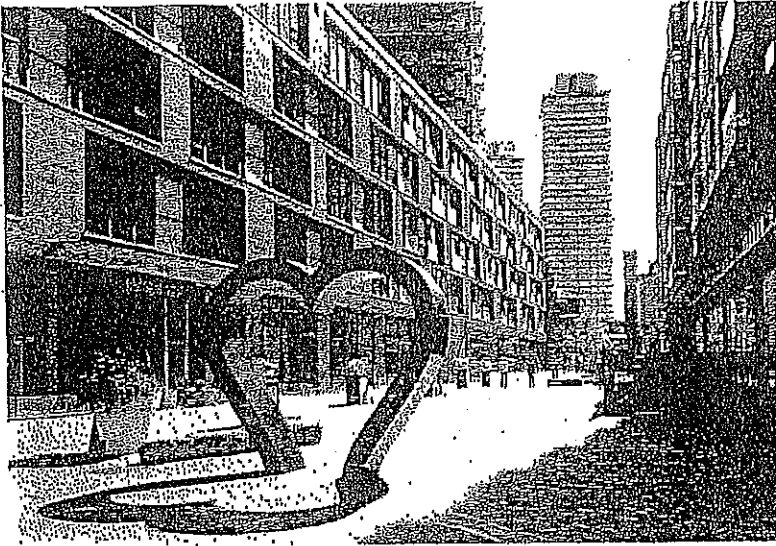
Penn Terra Group Limited ("Penn Terra") is pleased to submit a response to the Request for Proposal ("RFP") regarding the development of the Cannon Block.

Yours truly,

Penn Terra Group Limited



Sunil Bahadoorsingh
President & CEO



pennterra

EXECUTIVE SUMMARY

Penn. Terra Group Limited ("PTGL") is a real estate development company that has focused on developing to reinvigorate depressed downtown cores. It has successfully built three different type of residential buildings in downtown St. Catharines, Ontario, Canada where previously no multi-residential building had been built in over thirty years. Prior to starting PTGL, the principals completed a successful housing development project in the Caribbean of more than 268 homes.

We are proposing a 36-unit residential rental apartment building for the Cannon Block. On the ground floor, we will accommodate a commercial outlet that will face onto Main Street. The majority of the units will be geared towards tourists as well as students attending Niagara University and Niagara Culinary College. Parking will be available for 29 units and there will be storage racks for 20 bicycles.

Each suite will include a living room and kitchen as well as one or two bedrooms with washroom parity. The main floor will provide a common lounge area as well as a gymnasium. In addition, a roof top patio will be provided for the enjoyment of the tenants and will be situated atop the historical Cannon building.

TABLE OF CONTENTS

| | |
|---|---|
| EXECUTIVE SUMMARY | 1 |
| PROPOSED TEAM | 2 |
| DEVELOPMENT PLAN | 4 |
| FINANCIAL PLAN..... | 5 |
| APPENDICES | |
| A Resumes | |
| B Cannon Block Development Plans | |
| C Project Experience - Trinidad Housing Development | |
| D Project Experience - Wellington, St. Catharines Development | |
| E Project Experience - Lake & James Development | |

PROPOSED TEAM

SENIOR MANAGEMENT

The PTGL team is comprised of three principals. Sunil Bahadoorsingh is President, Peter Agnelli is VP Operations and John Kingston is Chief Financial Officer. Resumes are attached in Appendix A.

PAST DEVELOPMENTS

Penn Terra Group Limited is a real estate development company with a unique focus and an unwavering commitment to combining quality with affordability. Its plans and developments are designed so that they integrate within and enhance the surrounding communities. The key strategies of the owners of Penn Terra Group Limited include the use of local suppliers and materials as much as possible to reflect their commitment to the communities in which they build.

In 2010, the predecessor to Penn Terra Group Limited, successfully constructed in excess of 268 affordable homes on the island of Trinidad in the Caribbean, for the federal government. This project had a budget of US\$48 Million and was completed on time and below budget. See Appendix C for photos of this development.

Penn Terra Group Limited was formed in 2011. It has developed a 28-unit condominium as well as two student apartment buildings all located in downtown St. Catharines. These projects combined bring approximately 525 people to call the downtown core of the City of St. Catharines their home. This has greatly assisted the City in undertaking a revitalization of its core.

In 2012, Penn Terra Group Limited acquired two properties from the City of St. Catharines in Ontario, Canada. One was a vacant lot and the other was a parking lot. In an innovative deal, Penn Terra Group Limited provided a commitment to replace the existing parking in return for a reduced purchase price. These locations were selected in response to the need to rejuvenate the downtown core of St. Catharines, which had not seen a new multi-unit residential project in excess of 25 years.

An initial 28-unit, 4-storey condominium was built for approximately \$ 5.5 million CAD, which was fully occupied at opening in 2014. See Appendix D for photos.

An additional property was acquired from the City and two 7-storey student apartment rental buildings were subsequently constructed and officially opened in September 2016 with 98% occupancy. Cost of both buildings was approximately \$33 million and both were built on time despite some issues on the property concerning environmental and human remains from an abutting property that once contained a forgotten cemetery. See Appendix E for photos.

A fourth project is about to be undertaken by PTGL in a new area for the company, being affordable housing. This is expected to commence in early 2018 and is a joint venture with a Canadian financial

institution. This project, comprising 127 units with a mix of one, two and three bedroom suites is expected to be completed in early 2019 and PTGL will be a long-term holder of this rental housing project.

DEVELOPMENT PLAN

The City of Niagara Falls, New York is seeking to reinvigorate certain areas within its boundaries. The Cannon Block is one such area and resides in a district, which the City has designated for residential development. Current zoning is R3-C, which according to the City "is intended primarily for residential development, primarily apartments and townhomes". Our intent is to construct student rental accommodation to satisfy the demand from students attending nearby Niagara University as well as Niagara Culinary College.

PTGL will draw on its experience in developing previous student rental accommodation. Due to a desire by Penn Terra Group Limited in all of its projects to blend in with the existing neighbourhood, PTGL has decided to construct rental housing on the designated lands. As the development will abut the designated Entertainment District, it has been decided that one or two commercial outlets should be included in the proposed development as it should add to the City's efforts to promote the adjoining district.

The proposed development would consist primarily of two-bedroom self-contained suites. We are contemplating the inclusion of some amenities for the convenience of the students, such as a gym and/or a common lounge. However, this will be decided once we develop site plan drawings to a fuller extent. In addition, we plan to provide a commercial outlet(s) within the restoration of the existing Cannon building - we will need to determine if more than the façade of the Cannon building is able to be retained once we have a chance to investigate the building in more detail. This commercial retail store(s) would both service the students and the general public.

It is anticipated that each suite would comprise a kitchen, living room - both to be shared amongst all students in the unit along with 1 or 2 bedrooms with bathroom parity. We estimate that the overall square footage of each two-bedroom suite would approximate 1,200.

The proposed development cost is \$9,280,000, which includes both hard and soft costs. We anticipate commencing construction within 2 months of site plan approval from the City and to have the building completed for occupancy within 10 months thereafter. We intend to utilize a steel and concrete building system to ensure long-term quality of construction. Further, we intend to clad the building in an innovative brick façade that will reduce ongoing maintenance costs and integrate into the style of other buildings within the neighbouring area.

Attached as Appendix B, is a graphic portrayal of the proposed development indicating likely footprints for the stacked suites along with proposed walkways and parking and bicycle racks as well as designated ingress and egress access to the property.

The suites would be owned by PTGL and rented primarily to students attending nearby post-secondary education institutions. To the extent that student leases do not cover a full 12-month period, then we will contemplate potential short-term rental to tourists, during the summer months when students do not need the suites. By providing quality rental accommodation, we trust that this will entice tourists to enjoy overnight stays in the City to enjoy the various attractions offered by the City.

FINANCIAL PLAN

We would be more than pleased to provide references from the City of St Catharines where we have recently completed three successful real estate projects in the downtown core of St Catharines, Ontario, Canada. It is important to note that these projects represent the first multi-residential projects in the downtown core of this city in over 30 years. Subsequent to these buildings being built, the area in which they are located has seen a surge in property values.

PURCHASE OF PROPERTY

We intend to offer \$30,000 for the 6 properties that comprise the Cannon Block. This purchase price may be increased by a further \$60,000 if it is determined that there are neither significant environmental or archaeological issues nor poor soil conditions upon which to build.

FINANCIAL CAPACITY:

Our normal approach to development is to partner with a recognized financial institution. Having a credible financial institution reduces any concerns from either municipalities or suppliers about the viability of the project. For the aforementioned projects, PTGL partnered with one of the largest credit unions in the province of Ontario, that not only provided funding for our previous projects outlined above but is an active equity partner in our next real estate project in Ontario. PTGL would consider seeking a similar financial entity with which to partner to provide certainty of payment to the trades involved in the development and construction of the Cannon Block.

GOVERNMENT INCENTIVES:

If chosen to develop the projects as outlined in this RFP response, we intend to submit an application for the following funding:

1. Exemption from realty taxes for 10 years, based on 100% exemption for the initial five years and then a gradual phasing out of such exemption via a reduction of 20% over the subsequent five years;
2. RESTORE grant to assist in renovation and integration of the Cannon Building into the development— including a commercial outlet on the ground floor; and,
3. Refund/exemption from all development charges and permit fees.

In addition, we will need to work with the City to identify the appropriate government program(s) that would allow the City /State/Federal governments to contribute an amount of \$4.5 million towards the proposed development. This is required to reduce the amount of debt that would be required to be serviced in order to make the project viable. Please see attached 10 year pro forma.

Peniterra

| Year | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |
|----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Commercial | 38 | 38 | 38 | 38 | 38 | 38 | 38 | 38 | 38 | 38 | 38 |
| Unit Rent | \$ 600.00 | \$ 600.00 | \$ 600.00 | \$ 600.00 | \$ 600.00 | \$ 600.00 | \$ 600.00 | \$ 600.00 | \$ 600.00 | \$ 600.00 | \$ 600.00 |
| Gross Rents | \$ 273,600.00 | \$ 273,600.00 | \$ 273,600.00 | \$ 273,600.00 | \$ 273,600.00 | \$ 273,600.00 | \$ 273,600.00 | \$ 273,600.00 | \$ 273,600.00 | \$ 273,600.00 | \$ 273,600.00 |
| Operating Expenses | | | | | | | | | | | |
| Financing | \$ 84,458.88 | \$ 84,458.88 | \$ 84,458.88 | \$ 84,458.88 | \$ 84,458.88 | \$ 84,458.88 | \$ 84,458.88 | \$ 84,458.88 | \$ 84,458.88 | \$ 84,458.88 | \$ 84,458.88 |
| Management | \$ 16,891.78 | \$ 16,891.78 | \$ 16,891.78 | \$ 16,891.78 | \$ 16,891.78 | \$ 16,891.78 | \$ 16,891.78 | \$ 16,891.78 | \$ 16,891.78 | \$ 16,891.78 | \$ 16,891.78 |
| Hydro | \$ 36,120.00 | \$ 36,120.00 | \$ 36,120.00 | \$ 36,120.00 | \$ 36,120.00 | \$ 36,120.00 | \$ 36,120.00 | \$ 36,120.00 | \$ 36,120.00 | \$ 36,120.00 | \$ 36,120.00 |
| Internet | \$ 13,200.00 | \$ 13,200.00 | \$ 13,200.00 | \$ 13,200.00 | \$ 13,200.00 | \$ 13,200.00 | \$ 13,200.00 | \$ 13,200.00 | \$ 13,200.00 | \$ 13,200.00 | \$ 13,200.00 |
| Waste | \$ 14,300.00 | \$ 14,300.00 | \$ 14,300.00 | \$ 14,300.00 | \$ 14,300.00 | \$ 14,300.00 | \$ 14,300.00 | \$ 14,300.00 | \$ 14,300.00 | \$ 14,300.00 | \$ 14,300.00 |
| Property Taxes | \$ 32,515.00 | \$ 32,515.00 | \$ 32,515.00 | \$ 32,515.00 | \$ 32,515.00 | \$ 32,515.00 | \$ 32,515.00 | \$ 32,515.00 | \$ 32,515.00 | \$ 32,515.00 | \$ 32,515.00 |
| Insurance | \$ 46,450.00 | \$ 46,450.00 | \$ 46,450.00 | \$ 46,450.00 | \$ 46,450.00 | \$ 46,450.00 | \$ 46,450.00 | \$ 46,450.00 | \$ 46,450.00 | \$ 46,450.00 | \$ 46,450.00 |
| P&M | \$ 7,095.00 | \$ 7,095.00 | \$ 7,095.00 | \$ 7,095.00 | \$ 7,095.00 | \$ 7,095.00 | \$ 7,095.00 | \$ 7,095.00 | \$ 7,095.00 | \$ 7,095.00 | \$ 7,095.00 |
| Total Operating Exp | \$ 251,090.66 | \$ 251,090.66 | \$ 251,090.66 | \$ 251,090.66 | \$ 251,090.66 | \$ 251,090.66 | \$ 251,090.66 | \$ 251,090.66 | \$ 251,090.66 | \$ 251,090.66 | \$ 251,090.66 |
| Net Operating Income | \$ 22,569.34 | \$ 22,569.34 | \$ 22,569.34 | \$ 22,569.34 | \$ 22,569.34 | \$ 22,569.34 | \$ 22,569.34 | \$ 22,569.34 | \$ 22,569.34 | \$ 22,569.34 | \$ 22,569.34 |
| NOI - Annual | \$ 22,569.34 | \$ 22,569.34 | \$ 22,569.34 | \$ 22,569.34 | \$ 22,569.34 | \$ 22,569.34 | \$ 22,569.34 | \$ 22,569.34 | \$ 22,569.34 | \$ 22,569.34 | \$ 22,569.34 |
| Debt | \$ 1,419,000.00 | \$ 1,419,000.00 | \$ 1,419,000.00 | \$ 1,419,000.00 | \$ 1,419,000.00 | \$ 1,419,000.00 | \$ 1,419,000.00 | \$ 1,419,000.00 | \$ 1,419,000.00 | \$ 1,419,000.00 | \$ 1,419,000.00 |
| Cap Rate | 1.59% | 1.59% | 1.59% | 1.59% | 1.59% | 1.59% | 1.59% | 1.59% | 1.59% | 1.59% | 1.59% |

Building Cost

| Expense | Total |
|-------------------------|----------------|
| Architecture | \$ 0.00 |
| Permit Fees | \$ 0.00 |
| Project/Management Fees | \$ 0.00 |
| Land Cost | \$ 0.00 |
| Development | \$ 0.00 |
| Total | \$ 290,000.00 |
| Deposit | (8,361,000.00) |
| Land Transfer | 0.00 |
| Legal | 125,000.00 |
| Staff | 325,000.00 |
| Accommodation | 40,000.00 |
| Total | 1,419,000.00 |

COMMITMENT TO COMMUNITY BENEFITS

We firmly believe that it is important to show a long-term commitment to the region as a developer. Our intent is to not only address the projects as noted within this submission to the specific RFP, but to be active in many other projects within the region.

Our intent will be to choose well-respected partners within the region as we intend to build a long-term relationship with them and partner on several projects in the region. Our multi-use residential proposal would provide immediate job opportunities for local contractors and labourers as well as professional engineers required to provide necessary construction drawings. We would also attempt to source both building supplies as well as furnishings from local sources. Further, once completed, the building will also require the expertise of local staff to manage the operations. Lastly, we would also need to hire local maintenance and cleaning staff to maintain the property.

We are already investigating a recreational project in the area that is distinct from any offering currently available. This activity would act as an attraction to tourists as well as locals and assist in drawing people to the downtown area. Further this would create numerous employment opportunities relating to both the operation as well as management of the facility.

We are willing to work with the City to achieve solutions that satisfy its needs and not be dogmatic about having to do development in what is often an antagonistic fashion.

APPENDIX A

RESUMES

John Kingston FCA, FCBV President, eMerging Capital Corp.

John Kingston is currently the President of eMerging Capital Corp., which began operating November 1999. eMerging Capital Corp. is focused on sourcing capital for emerging high growth businesses as well as offering business valuation expertise. Sourcing of capital typically involves assisting in preparing necessary documents including Business Plans and projections, introducing companies to appropriate Sources of Capital, negotiating the terms of investment, introducing potential target customers and providing general business advice. John is also an active angel investor and currently has an equity holding in six emerging companies. Prior to founding eMerging Capital Corp., John was a partner in the Corporate Finance and Valuation groups of KPMG since the beginning of 1985 and was Partner-in-Charge of the Toronto practice for five years.

Currently, John is a shareholder as well as acting CFO for both a residential real estate development company based in St Catharines as well as a wholesaler of private label cleaning products based in Mississauga, with North American based customers. The real estate company has successfully developed three different projects and is currently involved in a fourth project all based in the Niagara region. Focus of the real estate company is three-fold, being residential housing; off-campus student housing and affordable housing. John also acts as an interim CFO for a start-up liquor company based in Miami, Florida.

Academic & Professional Qualifications:

John received a Bachelor of Commerce (Honors) in 1975 from Queens University. In 1977 he obtained his Chartered Accountant designation. In 1982 he earned his Chartered Business Valuation designation. In 1995 he was awarded a Fellowship from the Ontario Institute of Chartered Accountants. In 1996 he was awarded a Fellowship from the Canadian Institute of Chartered Business Valuators.

Skills and Experiences:

During his 15 years as a Partner at KPMG, John was involved in providing financial consulting advice to his clients primarily focused on the valuation of business interests, sourcing of financing and acquisition/divestiture assistance. His clients ranged in size from under \$1 million in sales to in excess of \$3 billion in revenue. The businesses included sole proprietorships through to multi-national public corporations and covered such industries as manufacturing (including food and liquor amongst many other sectors), retail, media, oil and gas, financial services, real estate, software/hardware and service companies.

This experience has resulted in John having developed both strong financial analytical skills as well as good oral and written communication skills. He has assisted numerous clients in the preparation of Business Plans used primarily to secure external financing. John has worked with numerous public companies listed on the TSX, NYSE or NASDAQ. Many of his assignments were pursuant to requirements of one of the above-noted stock exchanges. He also actively participated on committees formed by the OSC to

John Kingston FCA, FCBV
President, eMerging Capital Corp.

deal with issues pertaining to appropriate levels of public disclosure pursuant to changes that were made to OSC Policy 9.1.

Client Experiences:

Since forming eMerging Capital Corp., John's clients have been primarily in technology and manufacturing. Examples include: a company with unique laser technology, an on-line arbitration resolution service, an aviation parts company, bar code scanning technology, electrical contracting, Internet promotions, giftware, paper converter, cell phone ordering service, CAD drawings, as well as numerous companies involved in food and/or beverage manufacturing/distributing, amongst others.

Other:

John has served on the Board of a few private Canadian companies and has recently completed a three-year term on the Board of a Canadian public venture capital company that was acquired. He also served as an advisory member on the Board of an Internet social networking company and is currently a member of the Board of two separate private companies involved respectively in real estate development and the manufacture and distribution of private label products. John continues to work with emerging high growth companies.

John has been a lecturer in Accounting at University of Toronto as well as having taught the Mergers & Acquisition course at York University. He also co-authored a book titled *Valuation of Businesses*, published by CCH, as well as written numerous other articles including a chapter published in the *Canadian Franchise Guide*. He has also given numerous presentations at various conferences sponsored by different groups. John was the past-President of both the Canadian Institute of Chartered Business Valuators as well as the ESOP Association Canada and served on their respective Boards for 6 and 3 years respectively.

John previously completed an 8-year term both as a member of the Board of Directors as well as the Treasurer of Daily Bread Food Bank, a charity based in Toronto. He also served 5 years on the Board of Directors of the Lawrence Park Athletic Association, which is a community organization and he was also President of a cottage association for two years. John was previously the Treasurer and has just completed a 5-year term as the Chairman of the Board of Orchestra Toronto (as well as Chair of its Fundraising Committee), which is a volunteer community based orchestra operating in Toronto. He is currently an active member of a Church committee focused on the sale of its property.

A. Peter Agnelli

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Tel: 519.850.7291 Mobile: 519.280.1480

PROFESSIONAL BACKGROUND

Pennterra (2010-Present)

Director of Operations & Partner

Pennterra has developed over 200,000 square feet of commercial and residential property in St. Catharines and has a further 120,000 square feet about to commence.

Responsibilities include contract negotiation and administration.

Brave Lion Industries (2006-2010)

Chief Operating Officer

Managed Brave Lion Industries Ltd., a construction firm contracted to build 231 social housing units for the Republic of Trinidad & Tobago using the Royal Building System

Spearheaded and coordinated CDN \$25M project from inception and tender to completion and handover

Responsible for all hiring, set up of systems and processes, financing

Liaised with government ministries, financial institutions and technical bodies

Reported to all internal and external stakeholders

DMAREhability (1994-2006)

Co-founder and Managing Partner

Managed growth of disability management services firm from startup to 70 professional staff across five Ontario offices. Firm assists insurers, employers, law firms and WSIB by assessing and treating clients injured in workplace or automobile accidents.

Developed and implemented all aspects of business strategy, marketing, recruiting, operations, systems development and compliance.

Gemini Consulting, North America (now CapGemini)

Principal & Senior Consultant (Operations Improvement) 1993-1996

For an American Automotive Marketing Division (2 year, USD\$4 million engagement)

As Principal, led senior cross-functional client teams in the areas of:

Business process benchmarking,

Sales channel segmentation,

Redesign and implementation of new sales and service organization.

Managed client relationships at the level of Division Vice President and direct reports

Designed and assisted in sale of 1 year, \$2 million project extension

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For a North American Telecommunications Consortium (1 year, \$2 million engagement)

As Senior Consultant, led senior cross-functional team to design and implement a new product development process to improve time-to-market.

Managed client relationships at the Group Vice President/Managing Director levels.

Gemini Consulting, Europe (now Cap Gemini)
Consultant (Operations Improvement) 1991-1993

For a European Telecommunications Carrier

Led client team to design and implement new process for assessing and choosing new business opportunities to drastically reduce cost and time-frames

For a Global Computer Services Firm

Headed pan-European client team to redesign and integrate the sales force in a challenging environment (12 members from 7 countries in the midst of downsizing)

Northern Telecom

Marketing Product Specialist & Project Engineer 1986-1989

Streamlined business processes in the areas of cellular project quotations and the commissioning of telephone switching equipment

EDUCATION

Master of Business Administration (MBA)
The University of Western Ontario, Canada (1991)
(Exchange with Università Bocconi, Milan, Italy)

Bachelor of Engineering Science (BESc-Electrical)
The University of Western Ontario, 1986

LANGUAGES English, Italian