



August 4, 2015

Rick Cotton  
City Administrator  
1250 Tiger Blvd. Ste 1  
Clemson, SC 29631  
[rcotton@cityofclemson.org](mailto:rcotton@cityofclemson.org)

**SENT VIA EMAIL**

Re: City Parking / Infrastructure Reimbursement  
Earle Street Apartments

Dear Rick:

This letter is in response to your email of July 8th regarding parking spaces in our parking garage. Pursuant to our Planned Development Ordinance, CDG agreed to work with the City on a long term lease for up to 50 spaces and we are more than happy to offer those spaces for lease as long as the IRA revenue stream does not negatively impact our overall project returns.

In the IRA summary calculations you sent over in your July 8th email, the calculations do not take the time value of money into consideration. In our previous discussions, we were willing to lease the spaces to the City, without profit, as long as the terms did not adversely impact the economics of our project. However, the City's current calculation results in a negative financial impact on the overall project because the initial outlay of capital by CDG and its investors of \$14,000/space does not yield the level of return necessary for us to breakeven on these spaces. As you know, the City is currently looking for us to pay for these spaces and accept reimbursement over 10 years without any interest. .

In consideration of the above and our updated construction numbers, we propose the following:

- Number of spaces: 40 full size, first floor spaces
- Initial Term: 30 years
- Renewal: Two (2) 10 year renewal options. Rent adjusted to market rate at the beginning of each renewal term.
- Payment for Initial Term: Payment through the City of Clemson Infrastructure Reimbursement. 10 year term, 50% of the City's portion of the projects Actual Property Tax Increase (after full assessment)
- Tenant shall pay its prorata share of the parking garage cost for common area maintenance, management, real estate taxes and insurance. Tenant shall make estimated payments monthly with an annual reconciliation.

If you would like to discuss further, do not hesitate to contact me.

Best Regards,



Brandt Stiles

