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January 20, 2023

VIA Email

Emily M. Barron, AICP
Assistant City Manager
City of Pflugerville
emilyb@pflugervilletx.gov

Re: Downtown East Development Project (the "Project")

Dear Emily:

Thank you for the opportunity to present Winstead's proposal and qualifications to represent the City of Pflugerville (the "City") in connection with the above-referenced Project. Winstead has extensive experience representing governmental entities across the State of Texas in real estate development public-private partnership ("P3") transactions. The enclosed brochure highlights a few of our most recent experience.

Winstead Team Members

Winstead is prepared to dedicate all necessary Firm resources to ensure that the Project is able to achieve its proposed timeline. Responsibilities will be properly distributed among shareholders, associates, paralegals, and staff among our P3 and real estate practice groups, in order to manage costs to the City. The legal team for this matter will include primarily myself (lead attorney), Zeena Angadicheril (of counsel, real estate), and Monte James (associate, construction). Brief biographies of each of these team members are available at <https://www.winstead.com/People>.

Scope of Work

As a premier full-service, Texas-based law firm with extensive higher education industry experience, Winstead is uniquely qualified to represent the City on all matters relating to the Project. Our proposed scope of services would include the following:

Public Law Matters. Led by myself, members of our P3 and public law practice groups will to ensure that all development and construction services are transacted in compliance with applicable law. In this capacity, we will ensure compliance with all state and local law matters applicable to the Project; advise with respect to ad valorem tax, and sales and use tax matters; and help to ensure that the Project conforms with industry best practices.

P3/Real Estate Matters. Members of our public law and real estate practice groups will prepare all necessary lease agreements, easements, licenses, and other ancillary documents for the Project, and perform all necessary title and survey reviews as needed; and assist with the preparation and/or review of any applicable governance documents with the City.

Construction Matters. Led by Monte James, members of our construction group will be prepared to assist with the review and negotiation of all development and construction-related matters for the Project to ensure that the City is fully protected from construction-related risks.

Fee Estimates and Proposal

We typically charge for our services on tax-exempt P3 matters on an hourly basis, as is customary. Invoices will be prepared and delivered on a monthly basis. The current hourly rates (as limited by state law for contracts with state agencies) for each of our Project team members are set forth below.

<u>Name</u>	<u>Title/Role</u>	<u>Hourly Rate</u>	<u>Est. Hours</u>
Jeff Nydegger	Shareholder (P3/Finance)	\$575	160 - 200
Zeena Angadicheril	Of Counsel (Real Estate)	\$540	120 - 150
Monte James	Associate (Construction)	\$425	30 - 40
Nicholas Scholz	Paralegal	\$220	75 - 100

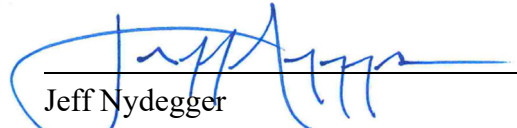
We recognize the importance of predicting the cost of projects of this nature in advance. Based on our prior experience, we expect our legal fees for the Project to be as follows, and we are willing to agree to work with you to diligently manage our time to adhere to these estimates, based upon the assumptions described below:

Negotiate Real Estate Documents	\$90,000 (approx. 185 hours)
Development Documents	\$72,750 (approx. 150 hours)
<u>Closing and Administration</u>	<u>\$24,250 (approx. 50 hours)</u>
Total Estimated Fees	\$186,725 (approx. 385 hours)

In estimating our real estate transaction fees, we are assuming a single master ground lease or similar structure. If the Project requires negotiation of terms with multiple leases or a condominium regime, our expenses would increase, although we would anticipate a significant amount of cost-saving efficiencies by using the same forms for each transaction.

We look forward to continuing this discussion with you. Please do not hesitate to reach out should you have additional questions about our proposal.

Warmest Regards,



Jeff Nydegger
Shareholder

Enclosure

WINSTEAD P3 TEAM
**P3, INFRASTRUCTURE
& PROJECT FINANCE**



winstead.com/p3



OUR APPROACH

Infrastructure development in the United States is expected to grow significantly over the next decade, while state and local government spending on infrastructure is at its lowest point in 60 years. This trend has led to a demand for innovative financing solutions and participation from both the public and private sectors.

Led by its preeminent real estate practice, Winstead has emerged as a leader in public-private partnership (P3) and infrastructure development and financing. Winstead represents public agencies, developers and underwriters on projects both in Texas and across the country.

Winstead's multidisciplinary P3, Infrastructure & Project Finance Industry Group has grown to encompass every aspect of the planning, financing and development of P3 at a level of sophistication not typically found in other Texas firms with procurement or public finance experience. Our infrastructure attorneys possess a thorough understanding of the unique construction, procurement, financing, and tax matters that arise in P3 transactions, particularly in the context of Texas law. Winstead works closely with its clients to weigh the risks and benefits of the transaction, maximizing both public and private resources to achieve the most efficient outcome and optimize community impact. We have represented all parties at the negotiating table, including governmental entities, developers, lenders, and investment banks. This background gives us the ability to understand the needs and motivations of all parties involved.

Innovation and creativity are important values at Winstead. There is no "off-the-shelf" structure for any P3 project. Winstead's attorneys have the experience necessary to advise clients on a multitude of project structures, financing mechanisms and delivery methods. Winstead understands the importance of prioritizing deliverables and minimizing risks to drive competition in private markets, without compromising private sector innovation. Our experience comes from a broad array of projects, including:

- Airport facilities
- Municipal facilities, including courthouses, convention centers, and recreational facilities
- On-campus university facilities and student housing
- Stadiums and professional sports facilities
- Mixed-use developments and economic development projects
- Data centers
- Toll road facilities
- Federal and military development
- Water infrastructure and utilities



OUR SERVICE

Procurement

Procurement and delivery method selection serves as the foundation of every public project. At Winstead, we work closely with our clients to craft procurement solutions designed to achieve the long-term objectives of all parties, while ensuring compliance with legal requirements, encouraging transparency and maximizing competition.

Project Finance

As governmental entities continue to face growing challenges to fund community needs, P3s have led to new creative financing approaches for both revenue-generating and non-revenue generating projects. Winstead advises both public and private sector clients to achieve creative financing structures using both public and private sources of funds, while ensuring that all applicable legal requirements are satisfied.

Development & Construction

Led by our preeminent construction transactional practice group, Winstead applies construction transactional principles and best practices to meet the challenges of contracting with governmental entities. Our construction lawyers work side-by-side with members of our finance and real estate groups to ensure that construction risks and responsibilities are effectively allocated in keeping with the goals of every P3 transaction.

Real Estate

Every P3 transaction entails the disposition or leasing of real estate. With more than 80 real estate attorneys across seven offices, Winstead's real estate attorneys regularly assist in every aspect of a P3 transaction, including due diligence, planning, land use, leasing, regulatory, management and disposition.

Government Relations

Winstead's government relations attorneys counsel clients on a range of matters to obtain regulatory approvals while securing both local and state-level economic incentives to achieve significant cost savings for new infrastructure projects across Texas.

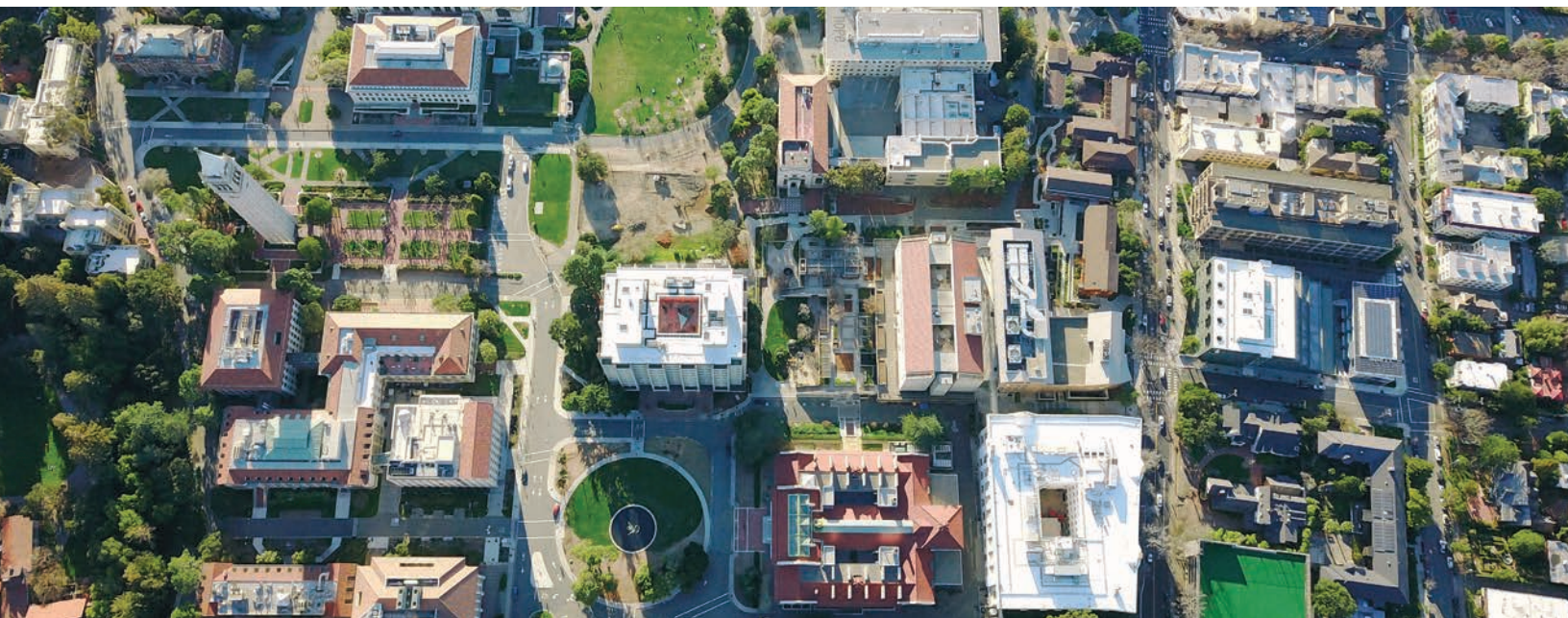
Tax Matters

Structuring a transaction to achieve tax savings is of key importance to the success of any P3 transaction. Winstead's tax group is experienced in delivering transaction structures designed to achieve tax exemptions and savings at all levels, with a particular emphasis on ad valorem tax and sales and use tax.



Operations & Maintenance

For major projects, privatized operations & maintenance of public facilities can generate significant cost savings, enhance availability and extend useful life. However, the assignment these obligations must be properly documented to ensure ongoing accountability based upon objective standards. Led by Winstead's experienced leasing and asset management group, we have successfully represented both public-sector and private-sector clients in achieving practical operational arrangements designed to withstand the test of time.



OUR EXPERIENCE

HIGHER EDUCATION

Multipurpose Arena

Represented the University of Texas at Austin in a public-private partnership with the Oak View Group and Live Nation Entertainment for the financing, construction and operation of a 15,000-seat, multipurpose arena to replace the Frank Erwin Center.

Texas Medical Center

Represented The Texas A&M University System in a multi-party public-private partnership transaction with TMC3 Development Corporation, The University of Texas System, and the M.D. Anderson Cancer Center, for the financing and construction of a collaborative medical research development in Houston.

Privatized Student Housing

Represented Blinn College as special project counsel and bond counsel for the leasing, financing, development and construction of an on-campus 464-bed privatized student housing project. The project was procured under a design-build-own model pursuant to a ground lease. We represented the University on public procurement, public finance, regulatory, construction, and real estate matters in connection with the project. The financing structure utilizes tax-exempt project revenue project notes issued by a Texas cultural education facilities finance corporation and loaned to a private non-profit corporation. The project was permanently financed by the United States Department of Agriculture, under its rural development program.



TMC3 - Texas Medical Center

Hotel & Convention Center

Represented The Texas A&M University System as special project counsel and bond counsel for the leasing, financing, development and construction of a \$200 million campus redevelopment project consisting of a five-story parking garage, a 250-room full-service upscale hotel and conference center at Texas A&M University in College Station. The project was procured using a design-build-own delivery method pursuant to a ground lease. The garage and hotel components of the project are separately leased and financed to a private non-profit borrower, using tax-exempt lease revenue bonds issued by a Texas cultural education facilities finance corporation. We represented the University on public procurement matters, public finance matters, regulatory matters, construction matters and real estate matters in connection with the project.

University Arena

Winstead is counsel to Arizona State University in the development, management, and operation of a new state-of-the-art men's and women's multi-use arena on the University's Tempe campus. The Arena will be the home of ASU's NCAA Division I men's ice hockey team, together with a community ice sheet and other multi-use events. The firm is handling the negotiation and documentation of this project on behalf of the University with a private developer and operator through a public procurement process.

OUR EXPERIENCE

MUNICIPAL INFRASTRUCTURE

Mixed-Use Development

Represented Travis County related to the negotiation and lease of 308 Guadalupe to Lincoln Property Company and Phoenix Property Company. 308 Guadalupe is a \$200 million project located in the heart of Downtown Austin and will be developed into a mixed-use project. The county retained ownership of the property with a 99-year ground lease.

Convention Center & Hotel

Represented the lender in the financing of a \$124 million hotel and convention center development in the Las Colinas Urban District in Irving, Texas. As counsel to the investor, Winstead negotiated two separate development agreements with the City of Irving and the developer. Winstead also negotiated an economic development agreement with the City for future financial support from incremental tax revenues.

Senior Living & Affordable Housing Mixed-Use Project

Represented Southwest Strategies Group in the redevelopment and condominium document preparation for The Hatchery, also known as the Rebekah Baines Johnson Center, a \$100 million mixed-use senior, market-based, and affordable housing and mixed use project in Austin.

Courthouse Complex

Represented Travis County in connection with the procurement, financing, and development of a courthouse complex located in Downtown Austin. The project was procured using a turnkey delivery model pursuant to a short-term ground lease. The construction financing for the project will come from traditional bank financing. The city will purchase the courthouse project using public funds pursuant to the terms of a purchase agreement.



Travis County Civil and Family Courts Complex - Austin, TX

Airport Modernization Project

Represented Southwest Airlines in the modernization of Love Field Airport in Dallas, Texas. Through the negotiation of a project management agreement, the City of Dallas, Texas, and Southwest formed a P3 to finance a \$500 million improvement project of the airport. Winstead assisted Southwest in negotiating a financing structure with the City of Dallas that met the goals and requirements of both Southwest and the City of Dallas. The City of Dallas formed a local government corporation to act on its behalf as the issuer of tax-exempt special facilities revenue bonds. Through Southwest's commitment to make debt service payments on the bonds, the City was able to rely on the creditworthiness of Southwest to achieve a competitive interest rate on the bonds. Through an assignment by the local government corporation to Southwest of the corporation's

obligation to construct the improvements, Southwest was able to utilize its construction experience to oversee the construction of the improvements to the City's airport. Winstead continues to represent Southwest with respect to ongoing matters related to this project.

Golf Complex, Hotel and Conference Center

Represented Omni Hotels in connection with the development of a PGA golf facility, conference center, and hotel in Frisco, Texas, in partnership with the PGA and the City of Frisco. The project consisted of two championship golf courses, and practice areas totaling 45 holes; a clubhouse; Class AA office space; a 500-room Omni resort and 127,000-square-foot conference center; and a retail village.

OUR OFFICES

Winstead is a national business law firm with more than 300 attorneys in Texas, New York and North Carolina. The firm provides a full range of business legal services to some of the most recognized and respected companies across the country and throughout the world.

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