

Community Redevelopment Agency

*City Hall
200 East University Avenue
Gainesville, Florida 32601*

Meeting Agenda

April 16, 2007

3:00 PM

City Hall Auditorium

*Jack Donovan (Chair)
Scherwin Henry (Vice-Chair)
Ed Braddy (Member)
Rick Bryant (Member)
Pegeen Hanrahan (Member)
Craig Lowe (Member)
Jeanna Mastrodicasa (Member)*

Persons with disabilities who require assistance to participate in this meeting are requested to notify the Office of Equal Opportunity at 334-5051 or call the TDD phone line at 334-2069 at least 48 hours in advance.

CALL TO ORDER**ROLL CALL****ADOPTION OF THE CONSENT AGENDA****SECRETARY CONSENT****061153. Community Redevelopment Agency (CRA) Minutes (B)****RECOMMENDATION**

The City Commission approve the minutes of March 19, 2007, as circulated.

061153CRA_20070416Minutes.pdf

EXECUTIVE DIRECTOR CONSENT**060758. Waldo Road Sign Standards (B)**

Explanation: This item deals with the provision of sign standards along the Waldo Road corridor and is being referred to the CRA by the City Commission after recommendation to the City Commission by the Economic Development University Community Committee (EDUCC).

Over the past several months, the EDUCC has reviewed the status of the City of Gainesville sign code as it pertains to the Waldo Road corridor. This analysis by the Committee was undertaken in anticipation of future development along the corridor. Current sign code provisions regarding existing and future signage along Waldo Road was of particular concern to the EDUCC representative from the University of Florida.

The EDUCC discussed the existing situation in the context of staff-provided background, as detailed in the October 26, 2006 memo, and directed that modifications in sign code provisions be made in an attempt to promote a pleasing aesthetic and economic development environment and that modification be made in the existing Eastside CRA funding program to provide encouragement in the improvement of signs. The November 21, 2006 memo drafted by staff regarding Waldo Road signage attempts to fulfill that direction.

The EDUCC felt it important to develop sign code revisions and incentive provisions for the Waldo Road Corridor from E. University Avenue north to the City limits. The Eastside CRA extends from E. University Avenue to 16th Avenue NE and provides a prospective funding source for sign improvement incentives but the remainder of the Corridor falls outside the CRA boundaries.

The City Commission recently provided funding for a planning process

associated with the Waldo Road corridor. However, EDUCC felt that sign improvement should be pursued in a timelier manner. Planning staff is taking a petition regarding Waldo Road sign regulations to the City Plan Board at its June meeting.

On December 11, 2006, Economic Development Director Erik Bredfeldt gave a presentation to the City Commission, which referred this item to the Community Redevelopment Agency and the Eastside Redevelopment Advisory Board.

Fiscal Note: The Eastside Redevelopment Advisory Board has used a portion of its building façade grant funds in the past for sign improvements. Currently, all existing funds in the façade program are allocated to approved projects. CRA staff suggests that it may be more efficient to structure a separate program dedicated solely to sign improvements.

RECOMMENDATION *The CRA refer the matter of Waldo Road signage to the Eastside Redevelopment Advisory Board.*

Legislative History

12/11/06	City Commission	Approved as Amended and Referred to (6 - 1)	City Plan Board
12/13/06	City Commission	Referred	Community Redevelopment Agency
12/13/06	City Commission	Referred	Eastside Redevelopment Advisory Board

060758A_260012111300.pdf
 060758B_260012111300.pdf
 060758CRA_20070416_Waldo Road.pdf

061154.

Bicycle Racks for Downtown (B)

Explanation: The City's Bicycle/Pedestrian Advisory Board (BPAB) is seeking to donate bike racks to place in strategic locations within the City, as identified by BPAB members and the general public. Three locations identified by this group are located within the Downtown CRA district: the area in front of the Alachua County Administration Building, the area in front of The Top restaurant, and the area in front of Savannah Grande. BPAB has contacted the affected landowners and had determined that they would support the proposed initiative. Bike racks have already been purchased by BPAB in accordance with Downtown streetscaping standards. Pictures of a rack and of each site are provided. BPAB has volunteered to donate bike racks for the aforementioned sites if the Downtown Redevelopment Advisory Board (DRAB) wishes to pursue installation. DRAB heard a presentation from BPAB and voted to approve this item on March 28, 2007.

Fiscal Note: None

RECOMMENDATION *Downtown Redevelopment Advisory Board to the CRA: 1) Recommend the CRA accept the bicycle racks and arrange for their installation.*

Executive Director to the CRA: Work with City of

Gainesville for appropriate placement of the bike racks.

061154CRA_20070416_Bike Racks Photos.pdf

REPORTS FROM ADVISORY BOARDS/COMMITTEES CONSENT

Eastside Redevelopment Advisory Board Consent

061155. Renaissance Lighting on East University Avenue from Waldo Road to East 15th Street (B)

Explanation: At the April 13, 2006 Eastside Redevelopment Advisory Board Meeting, staff provided recommendations for the Fiscal Year FY 07-08 and FY 08-09 budgets. One of the key elements of both Plan East Gainesville and the Eastside Redevelopment Plan is improvements to East University Avenue. Staff recommended that the Board fund the replacement of the concrete poles on East University Avenue from Waldo Road to East 15th Street. The poles would be replaced with the Lumec Renaissance fixtures. Following is a list of the proposed improvements: 1) remove 20 existing 40' concrete poles and 250 HPS streetlights on 10-inch arms; 2) install 20 Renaissance lights, poles, pedestals and HDPE bore pipe (red location on map in backup); and 3) install 5 Renaissance lights, poles pedestals and HDPE bore pipe (blue location on map in backup)

Fiscal Note: There is currently \$129,000 budgeted for streetscape (621-790-W911-5520) in Fiscal Year 07. The additional \$116,800 needed for the first proposal could be taken from the FY 2008 streetscape budget, which contains \$168,600.

RECOMMENDATION

*Eastside Redevelopment Advisory Board to the CRA:
1) Fund the Renaissance lights on East University from Waldo Road to East 15th St; and 2) create a not to exceed budget of \$245,800 for the project.*

061155CRA_20070416_E University Ave Lighting.pdf

END OF THE CONSENT AGENDA

ADOPTION OF THE REGULAR AGENDA**SECRETARY****EXECUTIVE DIRECTOR****061156. Gainesville Greens Update (B)**

Explanation: Equity Venture, developer of Gainesville Greens, a downtown mixed-use project, has sent a letter to the CRA and the City to give a general update, with revised timeline, as well as seeking two requests. Equity Venture's letter requests the City Commission provide an extension of the option period. In 2005 the City optioned the parcel known as lot 10 to the CRA, which in turn issued a Request for Proposals on June 17, 2005. Secondly the developer requested revised language in the development agreement with the CRA that would take into account any real estate tax law changes that may affect the TIF recapture to the developer.

Staff has responded to the developer on both of these topics. As for the matter related to the option extension, an agenda item has been forwarded to the City Commission for the April 23, 2007 meeting. Staff has agreed that the option extension should be recommended but for a period of six months, not the requested one year, with the understanding that if the project continues to meet the timeline for development, an additional six months may be considered and recommended to the Commission. If the extension is granted, the CRA will be requested to extend its development agreement to allow for the additional six months to start construction and complete the project.

For the second request, modification of the development agreement, staff has responded to the developer, expressed some concern that it is too early to take any such action, and at this time does not recommend any changes to the agreement related to this issue as it is not clear what, if anything, will happen to real estate taxes and whether it would have any negative impact on the development or the CRA.

Overall, Gainesville Greens has taken a number of steps toward the development of the project including the opening of a sales office this month. The developer will present an update to the CRA regarding the status of this project

Fiscal Note: None

RECOMMENDATION

Hear a presentation from a representative of Gainesville Greens.

061156CRA_20070416_ Gainesville Greens Update.pdf

050943.

Selection of Master Plan Consultant for the Area Surrounding Depot Park (B)

Explanation: The City Commission has established a goal of creating a master plan for the area surrounding Depot Park, including the potential GRU development site. The majority of the Depot Park/GRU area lies within the College Park University Heights, Downtown, and Eastside CRA areas. Staff, therefore, recommended in 2006 that the CRA request the City Commission to allow the CRA to take the lead on this project, as the development surrounding the park within the CRA districts will be crucial to the success of the CRA and the surrounding area. Each of the CRA Advisory Boards involved with this project have recommended funding as part of their FY 2007 budgets. Further, the adopted redevelopment plans for each affected CRA district support this type of planning activity. The CRA project coordinators will be involved with the Depot Park/GRU planning effort and this will provide an opportunity for the three Advisory Boards to work together. Representatives of GRU and City Planning staff have participated on the consultant evaluation team and would also be included on the project team as work goes forward. However, there are portions of the project area that do not fall within the CRA and will require funding.

The RFP was issued on November 3, 2006 with a deadline for receipt of January 19, 2007; a pre-bid meeting was held on December 1, 2006. Ten proposals were received with one being disqualified for lack of pricing. A meeting to evaluate and rank the written proposals was held on February 16, 2007. The four top ranked firms were: Folsom Group, Genesis Group, Pizzuti Solutions and Wood & Partners, Inc. Oral presentations were here on March 20, 2007. Wood & Partners, Inc. was selected for the proposal.

Fiscal Note: The CRA approved funding in the Fiscal Year 2007 Budget for three redevelopment districts; CPUH (618-790-W736-5502) \$50,000; Downtown (610-790-W736-5520) \$25,000; and Eastside (621-790-W736-5520) \$10,000. The funding is based on how much of the redevelopment area falls within the proposed projects' boundaries. The General Government funding portion would be \$25,000 and the GRU funding portion would be \$25,000 (equal shares between GRU and General Government for the portion of the depot park perimeter not within the CRA).

RECOMMENDATION

Executive Director to the CRA: 1) Recommend selection of Wood & Partners, Inc. as the consultant for the Depot Area Master Plan; 2) authorize the Executive Director to sign and execute all necessary documents; and 3) the CRA recommend the City Commission budget \$25,000 from City Contingency Funds and \$25,000 from GRU.

Legislative History

2/20/06	Community Redevelopment Agency	Recommended for Approval, as shown above (6 - 0 - 1 Absent)
2/27/06	City Commission	Approved as Recommended (5 - 0 - 2 Absent)

050943REVCRA20070416 - Depot Park.pdf

050620. University Corners Transformational Incentive Program Application Addendum (B)

Explanation: University Corners, a project by University Development of Gainesville, LLC, is a mixed-use development proposed for the northwest corner of University Avenue and Northwest 13th Street. The project covers three City blocks extending northward towards Northwest 3rd Avenue and westward towards Northwest 14th Street. The project was originally proposed as 157 condominium units, 238 condo hotel units, 115,630 square feet of retail space, an 8-level parking garage with 1,146 parking spaces, part of which was beneath existing grade, and a new church building to replace the building currently on site.

The first two floors within the first two blocks are designated for retail and commercial. The third block will contain commercial space at street level. Floors three through seven on the first two blocks are scheduled for upscale condominiums of varying sizes. Parts of floors two, three and four, as well as all of floors five, six, and seven on the second block are scheduled for a condo hotel. The third block will have condominiums on floors two through eight, retail on floor one, and a nine story parking structure. Parking for approximately 950 spaces is provided for the complex.

The original application was reviewed in October 2005, by the CRA's consultant PMG Associates, Inc. (PMG) to provide an independent analysis of the application. PMG has extensive experience in this type work, and the principal of PMG is a certified public accountant. PMG found that a gap existed in the project, the "but for" test had been met, the project was eligible for incentives under the Transformational Incentive Program, and the City and the CRA would experience a positive cash flow from the project. PMG had determined the "but for" gap to be \$39,441,000. A significant portion of the "but for" gap was created by the \$19 million in land assembly costs associated with the project. This \$19 million was created by a range of costs including land costs, demolition costs, buy out of tenant leases, relocation expenses, and commitments to the church in order to acquire the bulk of the land. The challenges associated with acquiring the land would be a factor in any project of this scope at this location.

The CRA, on November 15, 2005 approved the following recommendations, conditions made by the College Park University Heights Board with the addition of a modification incorporated by the Executive Director to read that the "but for" gap be changed to \$37 million as reflected in the original application.

The "but for" gap for the project be established at \$37 million as requested in the August 12, 2005 application and the incentive be capped at that amount.

The \$37 million is the net present value of the projected incentive payment stream under the stated assumptions, utilizing the developer's cost of capital of 7.75 % as the discount rate.

The gross incentive payment under these assumptions is \$98,160,438. The payments of 90% of the actual increment generated by the project be paid annually.

No change be permitted to building materials without CRA approval. If there are any changes, the CRA could reopen the incentive agreement.

The CRA reserve the right to bond the increment at a point in the future and pay the developer the net present value of the gap early.

The developer provides proof of ownership of the property required to build the project prior to the execution of the development agreement.

The development agreement allow that if those items the CRA provides incentives for fall into disrepair the CRA can use the annual increment payments to make repairs as needed.

The Executive Director and the CRA Attorney be authorized to prepare and execute any and all required documents necessary conditioned on the negotiation of an agreement, which in the Executive Director's opinion, provides suitable guarantees that the project will be built and maintained in the project plans.

Since then, nearly 18 months since the CRA approved University Corners for tax increment recapture under the Transformational Projects Incentive Program, the development has taken steps toward redevelopment of the site including demolition of the existing structures and relocations of tenants. On March 27, 2007 the developers of University Corners submitted, as required by the CRA if the project changed materially, an addendum to the application, and associated fee sent previous to that date, of the approval by the CRA on November 15, 2005 to keep existing funding as originally approved and to describe those elements that have been altered since then. There exist elements, in the latest submission of the development, that are different from the original. (No new funding is requested with the submission of the addendum.)

Underground parking will be moved to the top level of the elevated parking structure and the number of residential units increases from 400 to 450, accomplished by making the larger units smaller. The overall square feet of the units will not change. First and second floor retail will be reduced 17,630 square feet to 98,000 square feet, from 115,630 square feet. Partly this is needed to make up for lost space in the underground parking facility now moving above ground, for uses such as back-of-house, security and janitorial.

The March 27, 2007 addendum to the original application was reviewed by the consultant, PMG Associates. The conclusion of the review was similar to PMG's October 2005 report. The scoring remained consistent with the original report and PMG's gap analysis indicates that the "but for" gap still is valid based upon PMG's review of the developer's new documentation.

The development agreement is the final document that encompasses the

approval and terms agreed to by the CRA and the developer. In the development agreement discussions, the developer, through its counsel, has requested items that are not part of any formal document submitted to the CRA now or at the time of the original application. Some of the items requested as part of this development agreement will be rejected as inconsistent with the terms of this transformational program, i.e., the possibility of more than 90% of the increment from the Project. Similarly rejected will be the developer's request that the City of Gainesville be a party to the agreement as, in effect, a guarantor of the amount of the incentive should actions by the legislature or the City be deemed to have adversely affected the amount of incentives the developer would receive. It should be pointed out that there exist some slight and significant disagreements with the developer on items proposed to staff in a draft of the development agreement. Staff recommends that the following items are dealt with as part of any potential new condition(s) of approval and includes those recommendations below.

Staff therefore recommends that the University Corners application for incentives under the Transformational Incentive Program be approved with the same conditions that were set forth in the November 15, 2005 CRA approval with the following additions and changes, so that any issues raised in the developer drafts of the development agreements are clarified in the CRA's terms of approval.

To clarify that this conditioned approval of tax increment recapture disbursements be based solely upon the program guidelines in place at the time of the original application filed.

The City not be a party to the development agreement. The payment of increment to the developer or its representatives be clearly limited to that of the project, for the then existing duration of the CPUH Redevelopment Trust Fund/Area.

That the borrowing/lending ability of the CPUH Area/Trust Fund not be significantly negatively impacted.

Fiscal Note: Any incentives paid under this program are paid and limited by the tax increment generated by the project and no other increment from the CPUH Community Redevelopment Area.

RECOMMENDATION

Executive Director to the CRA: The CRA (1) confirm approval of incentives for the Project as described in the Addendum Application dated March 27, 2007, including the façade and specific physical improvements discussed and described in the initial application as approved November 15, 2005 and subsequently amended; (2) The Transformational Program guidelines in effect at the time of initial approval apply to this approval, including limitations on percentage of TIF available and limits on amount and duration of payments (being limited to the current life of the district, now November 28, 2035); (3) That the same limits and conditions approved on November

15, 2005, including but not limited to the \$37,000,000 present value, \$98,160,438 gross payments cap and a 7.75% discount rate apply to this approval, except that construction must commence within one year from the date of the approval; (4) That the CRA and Developer are the only parties to this Development Agreement; (5) That the increment reimbursed be clearly limited to that generated by the project and that the funding or bonding power of the CRA not be significantly negatively affected; and (6) Authorize the Executive Director and CRA Attorney to prepare and execute any and all documents necessary, consistent with the foregoing.

Legislative History

11/15/05 Community Redevelopment Agency Approved, as shown above - See Motion(s) (5 - 2)
 050620_20051115.pdf
 050620CRA_20070416_University Corners.pdf
 Part 3_050620_20070416.Univ Corners Section 1 - A.1 Project Description - 4Apr07.pdf
 Part 2_050620_20070416_Univ Corners - Adjusted UC GMP Cost Est-4Apr07.pdf
 050620_20070416_CRAREvised University Corners 0411.pdf

CRA ATTORNEY

REPORTS FROM ADVISORY BOARDS/COMMITTEES

College Park/University Heights Redevelopment Advisory Board

Downtown Redevelopment Advisory Board

Eastside Redevelopment Advisory Board

Fifth Avenue/Pleasant Street Redevelopment Advisory Board

061157. Tot Lot (B)

Explanation: At the July 17, 2006 Community Redevelopment Agency meeting, the CRA recommended that the City Commission contact the Gainesville Housing Authority to request that Parcel #13956 be returned to the City in order to make improvements. Parcel #13956 is a tot lot that was owned by the Gainesville Housing Authority. On August 14, 2006, Mr. John Cherry, Executive Director of the Gainesville Housing Authority, contacted the City and informed staff that the Housing Authority made the decision to give the lot back to the City. CRA has since entered a partnership with Parks, Recreation and Cultural Affairs to not only partially fund the improvements for the tot lot, but to assist with design and product choices, and what amenities would be most suitable for the tot lot

playground area. At the March 27, 2007 Fifth Avenue Pleasant Street Advisory Board meeting, Pat Byrne presented a design and amenities for the tot lot. At that meeting, the improvements were approved by the Advisory Board.

Fiscal Note: \$30,300 is budgeted by the CRA for improvements to the Tot Lot (613-790-W519-5520). Parks, Recreation and Cultural Affairs has budgeted \$15,000 to the tot lot. This includes playground equipment, upgrades, and maintenance.

RECOMMENDATION

Fifth Avenue/ Pleasant Street Redevelopment Advisory Board to the CRA: 1) Approve the design concept for the tot lot; and 2) approve the expenditure of \$30,300.

061157CRA_20070416_NW 5th Avenue Tot Lot.pdf

MEMBER COMMENT

CITIZEN COMMENT

NEW BUSINESS

NEXT MEETING DATE - May 21, 2007

ADJOURNMENT