



The Collier Companies

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July 29, 2015

Mr. Russ Blackburn
City Manager,
City of Gainesville - Box 6
P.O. Box 490
Gainesville, Florida 32627

RE: 238 W. University Ave Transitional Redevelopment Project

Dear Sir:

Downtown Gainesville needs permanent residents to thrive and prosper. Quality housing in the form of a market rate (adult oriented, non-student) apartment community would greatly improve the demographics in the downtown and also have a substantial positive impact on the much neglected northwest quadrant of downtown. Having four to five hundred more people living downtown can only increase business to the existing merchants and attract even more trade.

Ken McGurn has advised the City that his parcel at 238 W. University Avenue (2.5 acres including lot to north) is available for a transitional redevelopment project. The Collier Companies is proposing to build 250 to 300 market rent high end apartments (primarily one & two bedroom i.e. professionally oriented) on the property. A basic feasibility analysis has been conducted along with a Phase II Environmental Report and the City has reported on the availability of the utilities.

We have also discussed with staff the various areas where the City can help with the project. We cannot proceed further until the points we have raised on City issues are resolved. Time is of the essence, not only because of the limited window on favorable interest rates but also on occupancy timing.

We would like to make several specific requests of the City; all relatively minor in terms of financial cost to the City.

1. **Remove deed restriction setback covenants as to City.**
 - a. These were placed in the deed on part of the property some 60 years ago for unknown reasons.
 - b. They serve no useful purpose.
 - c. They conflict with the existing City Ordinances and desires of the City planners.
2. **Lease Parking Lot #2 to us for 49 years (with up to five ten year extensions).**
 - a. Lot #2 (NW 2nd Av & 2nd Street) is not utilized and is even blocked off at night because of the trash and beer cans that accumulate overnight.
 - b. Triple win for City: lease would generate property taxes (revenue) while relieving the City of maintenance costs, lease would be based upon current meter revenue w a CPI annual adjustment.

- c. The parking Lot #2 provides is vital. The two existing communities that command the rents necessary for this development are The Bartram & Wildflowers, both offer ample parking; even with Lot #2 this development will have a lower parking ratio than its competition.
3. **Lease NW 1st Avenue to us for 49 years** subject to pedestrian, car and utility access on the street (with up to five ten year extensions). This will allow us to:
 - a. Protect the residents; making the area more secure (we will be able to require what the City cannot: that all transit be continuous i.e. no loitering, sleeping etc.)
 - b. Maintain the area in an upscale condition needed to attract people to the downtown.
 - c. Create additional parking by adding on street parking akin to SE 1st Street.
 - d. Increase the pedestrian connection between the two properties and to University Avenue.
 - e. Provide traffic calming as needed, and quickly resolve other issues as they may present themselves.
 4. **Infrastructure assistance**
 - a. This would be similar to what the City has provided to almost all redevelopment efforts like University Corners.
 - b. Suggest a minimum of 2.5% of the cost of the project. (Which is less than that provided for University Corners)
 5. **Streetscape the areas around the project.**
 - a. The City is continuing its general streetscape enhancement program. We suggest that due to the construction that will take place, this is the appropriate time to do such work around the project area.
 - b. The northwest quadrant has not had the same attention as the other three quadrants; this would simply begin the balancing process.

We believe the development will in and of itself generate hundreds of thousands of dollars in revenue for the City.

We are ready to proceed as soon as the City enters into a binding agreement on the above. We would need use of Lot #2 and NW 1st Ave as a staging areas during construction; that could be a short term lease with the long term leases automatically triggered by the completion of our project i.e. the leases will only take effect when the project is 100% complete, therefore there is no risk to the City until the project starts generating revenue. We are excited about building a high quality, signature community within sight of our headquarters and yours, in a downtown we all cherish.

Sincerely,



Nathan Collier