

Community Redevelopment Agency

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

Meeting Agenda

June 19, 2006

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 - 3:05 PM**ROLL CALL****ADOPTION OF THE CONSENT AGENDA****SECRETARY CONSENT****060132 Community Redevelopment Agency (CRA) Minutes of May 15, 2006 (B)****RECOMMENDATION**

The CRA approve the minutes of May 15, 2006, as circulated.

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**060159 Resignation of Toni Jerkins from the Fifth Avenue/Pleasant Street
Redevelopment Advisory Board (NB)****RECOMMENDATION**

The CRA accept the resignation of Toni Jerkins from the Fifth Avenue/Pleasant Street Redevelopment Advisory Board effective immediately.

EXECUTIVE DIRECTOR CONSENT**060160 Update on Development Agreements and Requests for Incentives (NB)**

Explanation: Staff has been asked to provide an update on the development agreements and incentive applications under review.

University Corners- The draft development agreement has been provided to the developer.

Hampton Inn/Lot 9 – The draft development agreement is in review by staff.

Jefferson on Second – The developer is preparing an initial proposed development agreement based on previous agreements, for review by the CRA Attorney and Staff.

University House on 13th Street Transformational Project Incentive Request – The CRA has received its first transformational projects application for the Fifth Avenue/Pleasant Street Community Redevelopment Area. The request is for University House on 13th Street, a 185 unit, approximately 500 resident student housing development, located on the northeast corner of NW 13th Street

and NW 7th Avenue. The project consists of three four-story buildings and two three-story buildings. As part of this application, the developer is offering to make improvements to A. Quinn Jones School. The request is for 80% of the TIF generated by the project for 15 years. The application will be evaluated by an independent consultant. The Fifth Avenue/Pleasant Street Advisory Board will evaluate this application at their June 27 meeting and the CRA will consider the application on July 17.

Fiscal Note: None at this time

RECOMMENDATION

Executive Director to the CRA: Review update from staff.

ADVISORY BOARDS/COMMITTEES CONSENT

END OF THE CONSENT AGENDA

ADOPTION OF THE REGULAR AGENDA**SECRETARY****EXECUTIVE DIRECTOR****060161 Rescind Action on Hippodrome Lighting Request on April 17, 2006 (B)**

Explanation: The Hippodrome has identified a new form of strip lighting that is energy efficient and easy to maintain and install. The Hippodrome will absorb the ongoing cost for the lighting in their monthly power bill, will provide volunteers to install the lighting and will be responsible for any maintenance. They requested that the CRA fund the \$37,000 for the cost of lighting material.

The CRA approved the funding request at the April 17, 2006 CRA meeting. In order for the CRA to change its direction the item needs to be rescinded. It has been suggested that rather than provide funding for lighting now, that the Hippodrome be included in the Civic Lights project and that the funds be reserved for future consideration of funding the installation of the Civic Lights project on the Hippodrome to make it a permanent feature. Staff will provide a revised proposal of the design and associated costs to make the feature permanent to the CRA once that information is available.

Fiscal Note: Funds from MY 610-790-W202-5520 Streetscape account were budgeted for this project.

RECOMMENDATION

Executive Director to the CRA: 1) Rescind the Hippodrome lighting project approved on April 17, 2006; and 2) reserve the funds for future consideration of funding the Civic Lights installation permanently.

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060162

Gainesville Greens Revised Incentive Request (B)

Explanation: At the May 15, 2006 CRA meeting the developer of the Gainesville Greens project requested an opportunity to address the CRA Board. The developer has experienced a number of unexpected cost increases and has needed to make several changes to the project and requested additional funding. The developer's cost for the project has grown from \$39 million to \$59 million. In order to keep the project feasible, in addition to reducing his overall profit margin and raising unit pricing, the developer had, at the May 15, 2006 CRA meeting, proposed a number of options, including reducing the number of stories from 12 to 10; replacing the LEED certification with other accepted green building principles; and removing the affordable housing units. With these changes, the developer requested 80% of the increment generated by the project for 20 years. The net present value of the requested incentive in May was \$5,538,451 at an 8% discount rate, with projected incentive payments totaling \$12,148,550. The developer also provided three options that added the LEED certification and affordable units at higher tax increment percentages.

Following feedback from the CRA and extensive value engineering, the developer has revised his request to 75% of the increment generated by the project for 20 years, including LEEDS certification and ten affordable units, all priced at \$200,000. This revised TIF incentive request equals a net present value of \$6,346,186 at a 6.75% discount rate and 3% growth rate, with projected future payments totaling \$12,516,171. The number of stories (10) and units (144) has remained the same as the request outlined on May 15, 2006. Since the last CRA meeting, the developer has received approval from the DRB to continue the developmental process of the project with the City. The developer has received revised construction pricing based on the approved plans, which has resulted in a 9.88% increase in the cost of the project. Due to this rise in costs the dollar amount of the incentive is higher than what was requested at the May 15, 2006 meeting, although the actual TIF percentage requested has been reduced, as has the developer's profit margin, because the cost of the project has risen. The discount rate on the net present value of the incentive has also decreased, from 8% to 6.75% based on revised financing strategies used by the developer to make the project feasible. The developer will outline his revised request in detail at the meeting.

As background on the RFP process to date, Section 163.380(2) of Florida Statutes provides that interests in real property acquired by a CRA (here the option to purchase Lot 10) may be disposed of in accordance with reasonable disposal procedures, in this case, through the CRA's issuance of a Request for Proposal on June 17, 2005.

Section 163.380(3), Florida Statutes, provides that prior to disposing of interests in real property, notice shall be published soliciting proposals from developers, which are to be submitted within 30 days after publication. Thereafter the CRA shall consider any such submitted proposals and accept such proposals as it deems to be in the public interest.

On September 19, 2005, the CRA considered 4 proposals that had been submitted in accordance with the above procedures and ranked the proposal submitted by Gainesville Greens as number 1, a mixed-use residential project proposal submitted by AMJ as number 2, a condominium/hotel project as number 3, and "City Square," a project that demanded upfront incentives, as number 4.

The original proposal for Gainesville Greens that approved by the CRA included a 12-story, 134 unit project with 14 units to be deed restricted for affordable housing, and a green building following LEEDS building methods for increased energy efficiency. The incentive requested was 60% of the increment generated by the project for 15 years.

Because the incentive request has decreased since the last review by consultant PMG and Associates in May, another review was deemed unnecessary. The developer has provided staff with a new pro forma. Based on the last report from the consultant, which recommended 80% funding for twenty years, CRA staff recommends the CRA approve the developer's revised request of 75% of the increment generated by the project for 20 years, requiring a certified LEED green building level and ten affordable units.

Fiscal Note: All CRA incentives are paid after the project is completed and placed on the tax rolls.

RECOMMENDATION

Executive Director to the CRA: 1) Provide 75% of the increment generated by the project for 20 years; and 2) require the base certified LEED green building level and ten affordable units as part of the project.

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060163

Eastside Gateway Feature (B)

Explanation: The CRA has previously acquired the Tackle Box property, located at 1430 Southeast Hawthorne Road. The CRA acquired the approximately one-third acre parcel in order to create a new gateway for the Eastside. The former Tackle Box building was demolished on April 28, 2006. The Tackle Box property had been a vacant commercial site and was in deteriorating condition.

The next steps in converting the former Tackle Box property to a Gateway include remediation of the site and the selection of a conceptual design for the gateway in order to begin developing construction documents and cost estimates for transforming the site. The former Tackle Box site is contaminated with petroleum and has been listed with the State Petroleum Clean up program, administered by the Florida Department of Environmental Protection (FDEP). At one time, the site cleanup score made it eligible for priority funding. In April 2006, Water and Air Research, the CRA's consultant working on the site, informed CRA staff that the FDEP changed the scoring process which resulted in the site receiving lowered funding priority. Water and Air Research proceeded to develop technical information that would raise the funding score; however, the information gathered did not yield data that would typically merit a scoring increase. As a result, a timeframe for when the remediation will take place is unknown. The State does offer a Pre-approved Advanced Cleanup Program (PAC), which would require the CRA to pay for 100% of the costs for a limited contaminated assessment report to determine the extent of the cleanup and a ballpark cost estimate. Once the assessment is accepted by the state, plans for cleanup can proceed with the costs being shared 25% by the owner and 75% by the state. Entering the PAC raises the site score so funding is available sooner than remaining in the standard program. However, the PAC program admittance timeframes are not set in stone, and the cleanup costs are not known until after the CRA commits to the assessment. If the assessment shows that cleanup costs are expected to exceed available CRA funding, then the site could remain in the standard cleanup program with its original funding priority. Staff recommends, as an initial step, that the CRA request the City Commission to send a letter to the Petroleum Cleanup Manager at the Alachua County Department of Environmental Protection, requesting that the site be rescored in order to be given priority for clean up and redevelopment of the site. If the site does not become a priority, the Pre-approved Advanced Cleanup Program can be considered further. There may also be an opportunity to begin to make improvements to the site before the cleanup is initiated, but that would require an assessment. Water and Air Research staff will be present at the meeting to respond to any questions regarding the remediation.

This gateway will signal the boundary between downtown and East Gainesville, and will signify an entrance into the East Gainesville community. The East Gainesville Gateway concept is intended to create a distinctive identity on the east side of Gainesville. Zamia Designs Landscape Architects has developed concepts for the proposed gateway and presented them at the May 18, 2006 Eastside Redevelopment Advisory Board meeting. The Eastside Redevelopment Advisory Board has recommended a concept that includes a ribbon sculpture

that weaves throughout the site, tri-colored and uniting at the center to symbolize the unity of community building blocks: nature, culture and progress and native trees for canopy along the street and streetscaping upgrades to meet CRA standards, including street lights, benches and pavers. The concept recommended by the Eastside Redevelopment Advisory Board also includes a pedestrian scale History Walk of plaques along the sidewalk and community murals depicting aspects of East Gainesville character. Signage was discouraged by the Eastside Redevelopment Advisory Board due to the location of the gateway well within the City limits and other reasons that staff will discuss. Images and further explanation of the concept are included in the backup and Zamia Design will provide an overview of the concept at the meeting. If the CRA proceeds with this concept staff will seek the input of the Art in Public Places Trust.

Fiscal Note: To be determined following selection of the concept. There is \$90,342.29 in the MY 332-790-M690-5520-6030. Tackle Box Account. The CRA has budgeted \$129,000 in the Eastside Streetscaping Account and \$30,000 in the Tackle Box Account in FY 2007. The CRA has budgeted \$168,608 in the Eastside Streetscaping Account in FY 2008.

RECOMMENDATION

*Eastside Redevelopment Advisory Board to the CRA:
Approve the concept and include commemorative
plaques or pavers for historic names from the district.*

*Executive Director to the CRA: 1) Hear the
presentation; 2) provide input on the concept and 3)
request the City Commission send a letter to the
Petroleum Cleanup Manager at the Alachua County
Department of Environmental Protection, requesting
that the site be rescored in order to be given priority
for clean up and redevelopment of the site.*

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CRA ATTORNEY

REPORTS FROM ADVISORY BOARDS/COMMITTEES**Downtown Redevelopment Advisory Board****060164 Downtown Façade Grant Program Improvements (B)**

Explanation: The Downtown Redevelopment Advisory Board (DRAB) recently funded two façade projects undertaken near West University Avenue and North Main Street. The positive impact of these projects makes it desirable to focus the façade grant funding along these high visibility corridors and within the urban core. At the May 26, 2006 DRAB meeting, staff proposed program improvements, which include an increased budget, competitive application process, new focus on high-visibility locations, encouragement for major renovations, modified selection criteria, marketing and recognition of the program and those who are selected, and a reception at the conclusion of the projects.

DRAB members unanimously approved the program changes with recommendations to modify the point system proposed by staff and to change the reception to a media event with awards presented at a City Commission meeting. A revised program including all of these proposed changes is included in the backup.

The new program will be promoted to downtown businesses in late June; applications will be taken in July, DRAB will review the applications and select two projects in August, and the selected projects will be started in the fall. Once the projects are completed, there will be a media event and awards ceremony to honor the successful applicants.

Staff has prepared a brief presentation describing the new program.

Fiscal Note: \$20,000 has been budgeted for the 07-08 Façade Grant Program. The CRA has \$2,000 in the Public Information Campaign Account (MY-610-790-W217-5520) that could be used to fund the marketing outreach and media event for the winners.

RECOMMENDATION

Downtown Redevelopment Advisory Board to the CRA: Approve the modifications to the Façade Grant Program.

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WAIVER OF RULES

The CRA should waive their rules to hear the final Executive Director Item File #060176 after the Reports from Advisory Boards/Committees Item.

060176

Update on Redevelopment Projects (NB)

Explanation: Staff has been asked to provide an update on several redevelopment projects.

Model Block Project Update- The first house, Site A, in the Pleasant Street Model Block area, is in the process of being sold. Staff received three bids for Site A. The top offer for the house is \$145,000, well exceeding the minimum bid of \$126,000. Staff and counsel are in the process of preparing for the closing of the property. Construction on the second house, Site B, is nearing completion with a ribbon cutting ceremony expected at the end of June or beginning of July. Site D construction will begin shortly.

Northwest 5th Avenue Streetscape- Construction documents are under review.

University Avenue Interim Improvements - The Bartlett Building is undergoing an extensive façade improvement as approved through the College Park/University Heights Façade Grant Program. Wild Iris Books is nearing completion with Phase II of the previously approved façade grant. Development of a baseline inventory from Waldo Road to Northwest 20th Street has been completed and a kick-off meeting with FDOT has been held. The 100 block of University Avenue has been selected as a pilot project area for planters and baskets to improve aesthetics on the corridor.

Porter Neighborhood Sidewalk Needs - Staff is proceeding with citing a location for sidewalks after the Downtown Redevelopment Advisory Board recommended \$10,000 be spent on improving sidewalks in this neighborhood.

College Park/University Heights Stormwater Master Plan and Sorority Woods Feasibility Study - Consultant Jones Edmunds will be presenting these items at the July 5 College Park/University Heights Redevelopment Advisory Board meeting.

Fiscal Note: None at this time

RECOMMENDATION

Executive Director to the CRA: Hear update from staff.

MEMBER COMMENT

CITIZEN COMMENT

NEXT MEETING DATE

July 17, 2006

ADJOURNMENT - 6:59 PM