

University House on 13th Street



Presented by
University Partners

Transformational Projects Incentive Program Application

Gainesville Community Redevelopment Agency

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A. University House on 13th Street Overview

University House on 13th Street is a planned residential development located on the northeast corner of 13th Street NW and 7th Avenue NW. The proposed development will provide a brand-new, professionally managed, residential facility to the 5th Avenue/Pleasant Street District, while adhering to the goals of the Community Redevelopment Agency (CRA) and promoting positive growth and development along the 13th Street corridor.

- The project will provide its residents with a safe, upscale, professionally managed community that is within walking distance to both the classroom buildings and commercial businesses around the University of Florida.
- This development site will strengthen the pedestrian corridor and support retail activity that stretches from the University of Florida north on 13th Street and promote further growth and development in this geographic region.
- The development will be an improvement from the site's current condition, since the majority of the site has been left vacant for over 8 years, with a small section being paved from a previous restaurant site. The new community will contribute to the aesthetic needs of the 13th Street corridor and become a building block for the immediate area's redevelopment.
- The site is traversed by a portion of Rattlesnake Branch, a regulated waterway, and associated wetland areas. Except for maintenance or other activities required by our permits to remove invasive plant species and debris, Rattlesnake Branch and its associated setback area will be left undisturbed. A storm water management plan is included in the PD ordinance for this site. The natural qualities of the creek will be preserved via a conservation easement. A portion of the conservation area may become a community park.
- The neighborhood will benefit from University Partners' funding for recreational improvements to the A. Quinn Jones School, such as enhanced playground equipment, multi-purpose fields, and parking area. University Partners will also complete direct improvements to the School property including parking and drainage improvements. The development will also include streetscape and infrastructure improvements to be completed through the course of development.
- The development will have the flexibility in the design and the PD to convert some square footage on the first floor from residential to retail along 13th Street in the future as the retail corridor develops north from University Avenue.

The proposed development will be approximately seven blocks north of the University of Florida's campus along 13th Street NW. This location will provide residents with easy access to the University by bus, walking or biking. The site of the development has long been undeveloped, and the community would redevelop approximately 7.6 acres of under-utilized land along a major corridor of the University area.

The property will provide the residents a mix of one-bedrooms (8% of mix), two-bedroom (17%), three-bedroom (25%), and four-bedroom units (50%) that will be leased by individual leases. A portion of the units will be furnished with individual bedroom furniture as well as common area furniture. The property will consist of two 3-story buildings and three 4-story buildings, totaling 185 units. The varying heights of the buildings will allow the development to step down toward the existing neighborhood.

The site will be professionally managed by an on-site team, and will also provide community assistants to aid residents as needed. The property will provide state-of-the-art amenities, such as a resort-style swimming pool, brand-new fitness center, business center with computers, and clubhouse. The rental charges will include utility charges for the residents, providing them with high-speed internet and cable as well.

Parking for the residents and visitors will be provided from a surface-level parking lot as well as in a 5-story parking garage on the property. This parking deck will be accessible from 13th Street and 7th Avenue. However, the parking structure will not be visible from 13th Street due to its adjacent residential building.

B. University Partners Overview

Founded in 1998, University Partners, a FirstWorthing company, is one of the nation's premiere multifamily developers. Our visionary company is dedicated to providing high quality, innovative living and learning solutions for colleges and universities and the communities they serve.

Through its unrivaled University House Communities for on- and off-campus student housing, University Partners' portfolio comprises 29 communities offering more than 16,000 beds in multiple markets across the country.

We have proven ourselves to be a knowledgeable and innovative advocate, developer, principal and partner in building and operating communities near major universities. Our strategy is to make substantial long-term investments in carefully chosen focus markets, working in partnership with each university and its neighbors to develop practical solutions for their particular needs. That is why we never stop looking for new ways to enhance the university community environment with innovative, off-campus housing solutions. We structure communities for the best in student living, offering an experience conducive to studying, hard work and a rewarding social life.

Maintaining the Brand

While each of our communities has different amenities, floor plans, rental rates and student profiles, each operates under the University House Communities brand and offers the lifestyle benefits that are unique to our company. To simply focus on the features of the apartment home without promoting the University House lifestyle would be a lost opportunity to leverage our brand among our constituencies. As with any industry, brand loyalty is not just about the product itself. There are three major ways in which our management strategy separates us from the competition:

- Nationwide Experience
- MAVERICK Program
- Commitment to Customer Service

Nationwide Housing Experience

With a leadership team averaging more than 20 years experience in acquisition, development and management of multifamily projects across the country, and a parent company that has developed, constructed, acquired, managed and owned more than 62,500 apartment units worth nearly \$3 billion, University Partners offers a market presence, financial strength, and depth of expertise and experience unsurpassed in the university housing market.

While our experience is vast, from our executive team to our student leaders in the Maverick program, we remain in tune with the subtle distinctions of each market we serve.

Operations/Management - Executive Team Background

Raymond D. Barrows, Managing Director - Operations for University Partners, is responsible for the asset and property management functions of the company. Prior to joining University Partners, he served as Senior Vice President and Director of Multifamily for Steven D. Bell & Company. In this role, his responsibilities included oversight of the firm's multifamily operations, including property management, due diligence and investor reporting. During his tenure, the firm increased assets under management from 10,000 units to over 16,000 units, located in eight states and 20 markets, including \$400 million of property acquisitions. Prior to this, Mr. Barrows held executive and management-level positions with Lend Lease Real Estate Investments and Security Capital Group/Archstone Communities.

Market Directors

Our executive team is served by geographically assigned Market Directors, each of whom is responsible for the management, marketing, and financial performance of their specific portfolio. Our market directors are:

Jinger Doss – Florida, Texas

Luca Finochiarro - Texas

Mike Holt – California, Colorado, Texas

Tara Holzmann – Wisconsin

Dan Soyka – Louisiana, Maryland, North Carolina

Darren Williams – Arizona

The MAVERICK Program

The University House MAVERICKS are student employees who provide a crucial link between the professional University Partners staff and the residents in our communities. MAVERICKS are selected for their personality and leadership skills, and are responsible for creating an environment where residents can meet and interact with neighbors in their community. The typical ratio is one MAVERICK per 100 residents, and we leverage the program as a marketable amenity for our residents.

All MAVERICKS receive a “scholarship” from our company for free room and board, plus a monthly stipend. Beyond that, each gains experience in event planning, real estate, marketing, business management and more, all while having an opportunity to make an impact on the quality of the University House lifestyle at their community. Each also has the chance for future career opportunities within the company with a defined path of advancement. We hold an annual career-fair event at the corporate office known as “Senior Day” wherein a MAVERICK is both interviewed and educated by leaders in key departments. We offer orientations to the various opportunities within the company and the student housing industry as a whole.

Our MAVERICKS are trained in a weeklong training camp held on a different college campus each year. This allows them the opportunity to meet other MAVERICKS from across the country, prepare for the challenges of being a student worker, and to share their successes and experiences.

It is our belief that MAVERICKS play a tremendous role in maintaining resident satisfaction and ultimately retaining our residents over the long-term, and we continuously strive to expand and enhance this program each year.

Commitment to Customer Service

As a company, we have devoted a tremendous amount of time and energy to implementing standard operating procedures for all of our communities. We believe this allows us to provide a consistent level of service, and that our residents and partners benefit as a result. And, we are committed to continuously improving these processes as our company grows and the needs of our residents evolve.

Examples of our standard processes:

- An extensive new hire orientation/training program
- Consistent standards and policies for every department
- Seasonal uniform standards for leasing, MAVERICKS and maintenance staff
- Leasing and application processes – online and print forms
- Move-in and move-out processes – online and print forms
- Roommate matching programs
- Maintenance work orders form and process for tracking and follow-up
- Quarterly on-site community inspections and monthly reviews with regional market directors
- Online resident information/event calendar and HTML e-mail marketing program
- Structured programs for capital improvements and preventative maintenance as well as efficient processes for ongoing maintenance
- Crisis communications program and zero tolerance policies
- Nationwide buying power with many of our vendors (furniture, utilities, appliances), with preferred vendor relationships and cost savings to our residents
- Partnerships with other large companies such as Napster, Dell and Bed Bath & Beyond to offer special incentives to our residents on a nationwide level

C. Project-Specific Information

Renderings from 13th Street



D. Merit Point tabulation

Merit Point Explanation:

1) Residential Units

This community will contain 183 units, with 583 student bed spaces available. We awarded 4 points for development between 101-200 units.

2) Retail Space

Although the PD approved for this site allows for the ability to place 15,000 sf of retail along 13th Street, our current plans do not anticipate retail. However, as the retail/commercial corridor develops along 13th Street, in the proposed PD amendment, we have reserved the option to renovate a portion of the building to accommodate a commercial retail or office use. Because the initial plans do not anticipate retail, we have awarded ourselves zero points.

3) Office Space

In addition to retail, the initial plans for University House on 13th Street will not contain public office space on-site, for which we awarded ourselves zero points.

4) Parking for the General Public

Parking will be provided in front of the leasing office for visitors, and enhanced surface parking will be added at the A. Quinn Jones School site. For this we awarded 2 points for 10-29 spaces for the general public.

5) Stories

The property will consist of 5 separate buildings, two of which will be 3-stories and three of which will be 4-stories. As mentioned before, the varying heights of the buildings are to allow the development to step down toward the existing neighborhood. Since over 50% of the units will be contained in the 4-story buildings, we awarded 5 points for 4-5 stories.

6) Density

The project has attained approvals to increase the density by the PD process, so 4 points were awarded.

7) Redevelopment Benefit

a. Creative Stormwater Solutions

University Partners is using water quality treatment devices as well as volume recovery devices to hold and treat water prior to discharge. The existing creek and wetlands will not be impacted by our development. Because of this only approx 5.05 acres of land on the site is developable. Due to the limited site development area, the overflow of the on-site stormwater discharge will be routed off-site. We have awarded 3 points for this creative alternative.

b. **Requires Environmental Clean-up**

A portion of Rattlesnake Branch is located on the site. An erosion channel currently discharges silt into the creek. Debris and exotic species are located along the creek and associated wetlands. We will be addressing these items as mitigation requested by SJRWMD and the city will be required in the creek and wetland areas. The creek and adjacent wetlands will be preserved and required setbacks provided. A conservation easement over the area is required rendering over 2.5 acres of the site undevelopable. The city will benefit from the environmental restoration as well as the conservation of an over 2 acre portion of green space. For this we have awarded 3 points.

8) **Location within District**

University House will be located on the block of 12th and 13th Street NW, as well as 7th Avenue NW. Since the property will be on 13th Street NW, we awarded 3 points.

9) **Land Assembly**

University Partners will acquire the entire block from 12th Street NW to 13th Street NW, and from 7th Avenue NW to 8th Ave NW, with the exception of the corner parcel that is occupied by the trophy shop. The property will cover over 75% of the block, for which we awarded our project 5 points.

10) **Meets District Goals**

As outlined in Section E, University House will achieve all of the eight district goals set forth by the CRA committee. However, we conservatively award our project only 2 points, since these points can be subjective.

11) **District Impact**

University House will be the first development in the 5th Ave/Pleasant Street District to apply for the CRA Incentive Program, which awards 3 points to our project.

12) **Merit Points**

We feel strongly that University House deserves all five possible Merit Points due to its improvements to the neighborhood by maintaining the environmentally sensitive areas as well as helping to fund improvements to the A. Quinn Jones School. We believe that our development will bring a positive stimulus to the area and promote other developers, businesses, and retailers to continue the positive growth of the neighborhood. In addition, University House will be providing the University of Florida community a new development with a first-class management group that promotes a positive and interactive living and learning environment.

E. District 5 Plan Implementation

University House at 13th Street will be a transformational project that meets the principal Selection Criteria for the Fifth Avenue/Pleasant Street District:

- *Create improved housing stock within the district*

The University House on 13th Street provides an innovative off-campus housing facility within walking or biking distance of the University of Florida. University House will be developed on a vacant lot along 13th Street, and will contribute over 185 new units to within 1/2 mile of the University. From the 2000 census report of the 5th Avenue district, the population of this CRA district is expected to decrease by 6.39% by 2010, or by 85 residents. The development of University House will instead increase the area's population by 35.3% by 2008. Also, over 68% of the housing stock that exists in this defined 5th Avenue district was built before 1960. University House will bring a new, professionally managed structure to the area.

University Partners is a long-term owner and manager of communities. This allows us to exercise essential controls that ensure a standard of excellence resulting in the development of a first-class property. The University House on 13th will facilitate the revitalization of the 5th Avenue district and clean up a once unattractive site.

- *Increase the commercial viability of the area*

With the development of University House on 13th Street, the surrounding area will become a more attractive commercial area for local retailers and businesses. With the addition of 500+ new residents, University House on 13th Street will create an incentive to infill and extend the 13th Street retail corridor north from University Avenue. UH will be a building block within this section of the district, as an example for other residential, commercial, and retail groups to gravitate and invest in this area.

- *Serve as an engine for economic development*

The existing site is undeveloped and therefore underutilized. The University House on 13th Street project promotes compact, vibrant urbanism that will increase the condition of a somewhat blighted site. The University House development promotes a quality of life that will drive a healthy economy and discourage urban sprawl. The addition of 500+ new residents to the area will serve as a catalyst for new commercial development along the 13th Street corridor. In addition, the University House on 13th Street is designed to promote transportation alternatives and preserve the environmentally sensitive areas on site and serves as a role model to stimulate economic development in the 5th Avenue district.

- *Develop sidewalk linkages to mass transit routes on major corridors bordering the district*

University House on 13th Street will promote a pedestrian corridor with the redevelopment of sidewalks surrounding the property. This property will provide access for the student residents to walk from the property down 13th Street towards the UF campus along a safe and attractive walkway. The site will be re-landscaped and appropriate lighting will be added for local pedestrians and students to enjoy. Bicycle racks will also be provided on-site. In addition, there is a RTS bus stop on-site, which will be refurbished in the process of the site development.

- *Create City market rate housing within the area*

The current housing market for the residents in the vicinity of the University of Florida is limited in supply of communities who provide state-of-the-art amenities and on-site, professional management. University House will be a new amenity to the Fifth Avenue area with furnished units and 24-hour on-call maintenance. Presently, there are no communities with on-site professional management serving the 5th Avenue District.

- *Provide for an increase in population*

The development of University House on 13th Street will further extend the corridor that exists at University and 13th, where the street is more developed with retailers and eateries. The property will place 500+ residents north of this existing retail section, thus promoting other businesses and retailers infill the area along 13th between University Avenue and NW 7th Avenue.

- *Use Crime Prevention through Environmental Design (CPTED) techniques*

Through the course of our project design, we will work with city staff and the police department to further incorporate CPTED Guidelines into our project. Natural Access Control, Natural Surveillance, Territorial Reinforcement, and Target Hardening are incorporated into the design.

- Natural Access Control: Sidewalks, pavement, lighting and landscaping are used to clearly guide residents to and from entrances and exits. Entrances are defined by landscaping or architectural design. Dead end spaces will be blocked by a fence or a gate.
- Natural Surveillance: To the extent possible, physical features including building orientation, windows, walkways and signage are placed to maximize visibility. Visitor parking will be designated. Recreation areas are visible from a number of windows. Parking areas, pedestrian areas and stairwells will be well illuminated.
- Territorial Reinforcement: Physical attributes that express ownership of property are used. Property lines are defined by buildings, fencing and/or landscaping. Building entrances are accentuated. Building identification will be installed on each building at minimum 5' high and clearly illuminated. Access will be controlled at common doorways or gates.

- Target Hardening: Cylinder deadbolts (or similar) will be installed at all common entrances complying with local code. Door hinges will be located on the interior of the door.

- *Increase recreational opportunities in the district*

Within the redevelopment of the selected site, University Partners will also aid in improvements to the A. Quinn Jones School to the east of the development site. The school is located across 12th Avenue NW from the proposed property and University Partners is working with the school to help develop the recreational areas. University Partners is in the process of negotiating the following improvements for the school's playground area: basketball court expansion, volleyball courts, relocation of the butterfly garden, a backstop for the baseball field, fencing separating the school playground from other portions of the property surrounding the school, and expansion of the existing parking lot to accommodate off site parking for the student housing as well as 20 additional parking stalls to be used by the public visiting the amenities.

(See proposed site improvement plan on the following page.)

Proposed Site Improvement Plan for A. Quinn Jones School

F. Current Taxable Value

G. Estimated Taxable Value after Construction

| University House at 13th Street Site | | | |
|---|-------------------------|---------------------------------|--------------------------|
| Property Assessed Value After Construction - June 2008 Completion | | | |
| Year | Land Value ¹ | Improvements Value ² | Total Value ³ |
| 2008 | \$6,890,000 | \$12,450,709 | \$19,340,709 |
| 2009 | \$7,096,700 | \$12,824,230 | \$19,920,930 |
| 2010 | \$7,309,601 | \$13,208,957 | \$20,518,558 |
| 2011 | \$7,528,889 | \$13,605,226 | \$21,134,115 |
| 2012 | \$7,754,756 | \$14,013,383 | \$21,768,138 |
| 2013 | \$7,987,398 | \$14,433,784 | \$22,421,183 |
| 2014 | \$8,227,020 | \$14,866,798 | \$23,093,818 |
| 2015 | \$8,473,831 | \$15,312,802 | \$23,786,633 |
| 2016 | \$8,728,046 | \$15,772,186 | \$24,500,232 |

¹ 2008 Land Value based on 2006 purchase price, inflated 3% per year; 2009 - 2016 land value based on previous year, inflated 3%.

² Improvements value equals Total Value minus Land Value.

³ Total assessed value per Alachua County at 85% assessment ratio of construction costs; grown 3.0% annually.

I. Incentives Request

Project Related Fees

- The total estimated fees associated with this project:
 - Building Permit: \$ 45,000
 - PD Amendment: \$ 6,000
 - Site Development Permits: \$ 6,000
 - Water Connection Fees: \$270,000
 - Total Project Related Fees: \$328,500

Public Infrastructure

- Existing in the center of the site are three Heritage Live Oaks. This area will remain in a mostly undisturbed manner in the entire area under the canopy of the three oaks. Therefore, work will be limited to avoid excavation in the critical root zone limits
- A water line extension is required in the right of way along 12th street for the development of this project.
- Sanitary Sewer line extensions will be required in 7th street
- We request \$75,000 to offset the above costs.

Development of Stormwater facilities off-site

- Because the developable area is limited, stormwater discharge will be required off-site.
- Both the off site and on site storm water design will require incorporation of water quality devices. These devices will provide some vertical volume recovery as well as filtration.
- We request \$450,000 for the development of the off site storm water facilities and the water quality and vertical volume recovery devices.

Development of Public Recreational Facilities

- In exchange for the use of the land to create the facility, University Partners will provide funding to be used toward the improvement of recreational facilities on the site. The new facilities to be provided or enhanced are, a multi-purpose field, enhancement of the existing basketball courts, volleyball courts, a new butterfly garden, a new baseball backstop and new playground equipment.
- We request \$120,000 to offset the above donation for playground equipment.

Façade Enhancements

- The building is required by the PD to be oriented toward the street and articulated in a manner to create a more traditional character, matching the context of the surrounding neighborhood and consistent with the Traditional City Overlay. This includes a “porch like effect” at the building entrances, ornamental fencing at the perimeter, as well as building massing and upgraded exterior building materials that are compatible with the neighborhood.
- We request \$400,000 to offset the façade enhancements.

Environmental improvements

- Rattlesnake creek and its boundaries currently are littered with debris, exotic species and inhabited with homeless residences. University Partners will be required to create a mitigation plan for the creek and associated setbacks that will remove debris, remove the invasive exotic plant species and place a conservation easement over the area.
- We request \$60,000 to offset the cost of the environmental improvements.

Land Cost

- The total site acreage is 7.57 acres of which approximately 5.2 acres are available for development use. The 2.37 acres of undevelopable land contains rattlesnake creek, adjacent wetlands and associated setbacks. In exchange for the incentive, if the city is amenable, a portion of the undevelopable land will be donated to the city to create a small park.
- Existing in the center of the site are three Heritage Live Oaks. The area under the canopy of the three oaks will remain in a mostly undisturbed manner. Work will be limited to avoid excavation in the critical root zone limits.
- The parcel is being acquired at a premium due to the amount of unusable land on the site and the close proximity to the University/Downtown area
- We request \$3,500,000 to offset land cost.

Based on the projected costs stated in this section, we are requesting that University House on 13th Street be eligible to receive the 80% Increment Payout over the next 15 years to off-set the high costs of developing our product in this community.

We have included scenarios detailing the 80% payout on the following page.

J. Governmental Approvals Required for University House on 13th

The site is currently zoned “Planned Development District” (PD). This district was created for the Park Central Holdings (PCH) project previously planned for this site. The goal of the PD district is to provide a method for landowners or developers to submit unique proposals which are not provided for or allowed in the zoning districts otherwise established. The existing PD allows a density of 30 units per acre or 225 units maximum. While a greater density is allowed, The University House site plan, as well as the PCH site plan, achieves a ratio of 25 units per acre. The PD currently existing on the site must be modified to coordinate with the University Partners proposed building footprint and site layout.

The proposed PD amendment must go before the City Plan Board and the City Commission. After a PD amendment is approved, the existing PD ordinance must be revised by the city attorney. The revised ordinance requires two readings by the City Commission for approval. Prior to submittal for the PD amendment, a pre-application conference (First Step) and a neighborhood workshop are required. We have completed the First Step meeting, neighborhood workshop and have submitted the proposed amendment for staff review. Placement on an agenda is pending final staff review and recommendations.

Following the PD amendment, the project must go through a Development Plan Review. After submittal and review by staff, the development plan is forwarded to the Development Review Board for approval.

In addition to the above, the following permits/approvals must be granted:

- Saint Johns River Water Management District Environmental Resources Permit
- Army Corps of Engineers must review the Saint Johns River Water Management District Permit (joint application)
- Gainesville Regional Utilities: approvals for the water line extension as well as water, sewer, gas, electric and communications
- Florida Department of Transportation: Approvals for right-in right-out to be located on 13th street as well as storm water discharge in the right of way
- School Board approval/agreement of work to be completed on their property including a storm water facility and improvements to the existing parking area
- City of Gainesville: Site plan approval, Building permit
- Florida Department of Environmental Protection: Notice of Intent