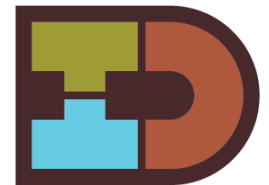




GAINESVILLE'S HISTORIC DEPOT BUILDING LETTER OF INTENT TO LEASE

May 19, 2016 City Commission Meeting



DEPOT PARK

Depot Building Location



SE 4th Street

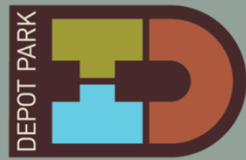
DEPOT
PARK

DEPOT BUILDING

S Main Street

Depot Avenue

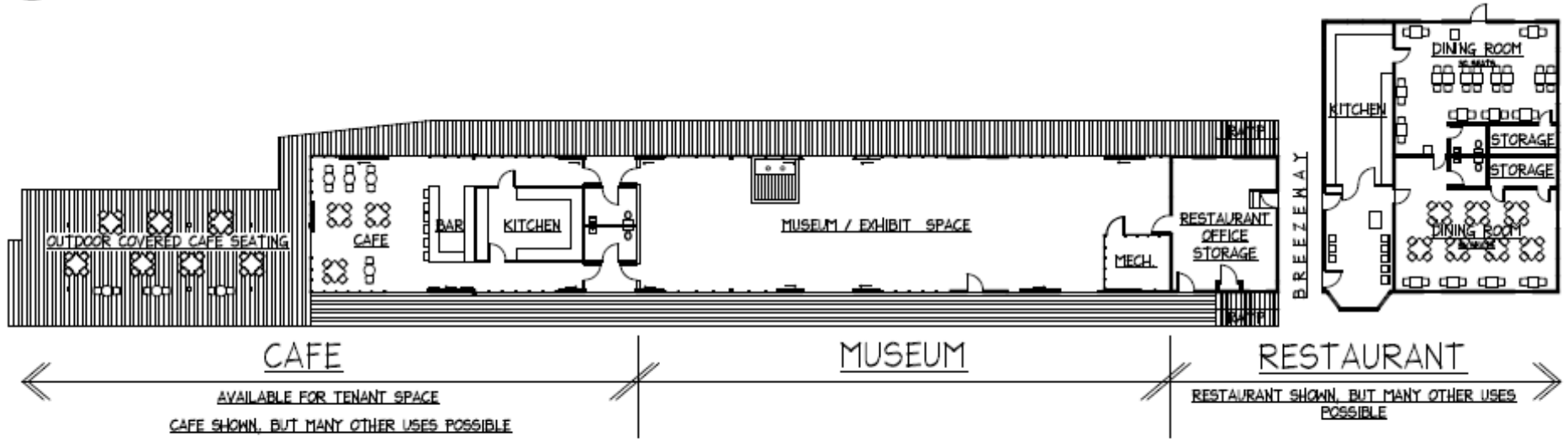
- **1998 –1999: Depot Avenue Eco-Development Project**
 - Neighborhood meetings
 - Neighborhood focus groups
 - Attendees developed preferences for Depot Building use
- **1998 – 2009: East Gainesville SPROUT Task Force**
 - Quarterly meetings to discuss and provide input on project remediation and progress
 - Hosted several community workshops for public input on project development
- **2000 – 2002: Depot Use Team**
 - Advised on viable uses for the Depot Building
 - Monthly meetings to discuss possible uses & tenants



- **July 13-14, 2009: Depot Park Public Forum**
 - Neighborhood workshop to collect input on programming and design for Depot Park and the Depot Building
 - Surveyed attendees for ideas and preferences
- **August – October 2009: Stakeholder Interviews**
 - Group interviews of project stakeholders
 - Questionnaires about Depot Park and Depot Building design and programming
- **On-going: CRA Downtown Redevelopment Advisory Board**
 - Bi-monthly meetings to discuss redevelopment projects
 - Provide funding, input, and recommendations on project decisions

- **Develop a Master Plan for Depot Park**
 - Incorporating the feedback received during the public input process
 - Intended to drive the design and development of the Depot Park site
 - Approved and adopted by the City Commission in 2010
- **Populate the Depot Building with a variety of uses that activate Depot Park and provide a ‘destination’ for the community**
 - Provide facilities available to the users of Depot Park and the surrounding communities
 - Attract tenant(s) that compliment programming elements at Depot Park and embrace the historical character of the building
 - Create a synergy with existing and future developments by supporting and being supported by: Downtown Gainesville, Depot Park, Cade Museum, Rail-Trail network, and the Power District
 - Attract revenue generating tenants to subsidize operation and maintenance expenses of building over long-term

Depot Building Interior Layout & Uses



1 SCHEMATIC CONCEPT PLAN - USE POSSIBILITIES: - CAFE / MUSEUM / RESTAURANT
 A2 SCALE: 1" = 20'-0"



- Restore the building configuration to its historical period of concern appearance
- Incorporate as many energy conservation features as possible
- Minimize the impact on the historic fabric and maximize individual climate control
- Design the site to recognize and respect historical site features
- Comply with the Secretary of Interior's Standards for Rehabilitation and the US Green Building Council's recommendations for LEED certification

- **2012: CRA Released an Invitation to Negotiate for Restaurant Lease Spaces**
 - three responses
 - no outcome

Depot Building Usage:

- **2013 - 2014:**
 - Cade Museum Bi-annual Meeting and a Lecture Series
 - Cinema Verde Film Festival
 - Webster Photoshoot
 - Bike Florida Celebration of Cycling
 - Chamber of Commerce Networking Reception
 - PASSAGE Family Church Brunch
 - Department of Public Works Project Meetings
 - Conservation Trust of Florida Private Event

- **2014: CRA posted an ad in the Gainesville Sun and posted a 'For Lease' Sign on the Depot Building**
 - one response

Depot Building Usage:

- **2015 - 2016:**
 - Friends of the Art Fundraiser
 - UF College of Journalism
 - UF Graphic Design Program
 - Arbor Day
 - Blue Ribbon Committee
 - City Strategic Planning Meeting
 - Public Works Projects Community Meeting

Depot Building Submission



- **Pop A Top**
(Retail – 3 yrs)
- **The Wooly**
(Event Space – 4 yrs)
- **The Top**
(Restaurant – 16 yrs)
- **The Atlantic**
(Music Venue – 13 yrs)
- **The Dime**
(Bar – 2 yrs)
- **The Arcade**
(Bar – 2 yrs)

Community Goals & Objectives



- ✓ Populate the Depot Building with a variety of uses that activate Depot Park and provide a 'destination' for the community
- ✓ Provide facilities available to the users of Depot Park and the surrounding communities
- ✓ Attract tenant(s) that compliment programming elements at Depot Park and embrace the historical character of the building
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Site Challenges



- **Historic Depot Building**

- Modifications are highly restricted
- Unique project
- Lack of comparable properties

- **Depot Park = Brand New**

- Future amphitheater
- Programming
- Cade Museum
- How do you project visitor counts?





- **Lessee:** Double 18, Inc. (The Top partners)
- **Total:** 5 year base term with two 5-year renewal options
- **Rent:** Base term increases of \$1.50 per square foot. Renewal option term increases of at least 2%.
- **Space:** entire building (6165 sf)
- **Use:** general store + event space + café / restaurant

Base Term Year 1-5



BASE TERM	RENT/SF (AC)	RENT/SF (non-AC)	AC RENT (total)	NON-AC RENT (assumed)	TOTAL RENT	TOTAL PER SF (AC)
1	\$10	\$5	\$26,650	\$17,500	\$44,150	\$16.57
2	\$11.50	\$6.50	\$30,648	\$22,750	\$53,398	\$20.04
3	\$13	\$8	\$34,645	\$28,000	\$62,645	\$23.51
4	\$14.50	\$9.50	\$38,643	\$33,250	\$71,893	\$26.98
5	\$16	\$11	\$42,640	\$38,500	\$81,140	\$30.45

Renewal Options 1 & 2: Years 6 – 15

(analysis based on AC space only)



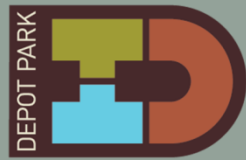
	Sales Revenue Less Than \$2M		Sales Revenue Exceeds \$2M		Sales Revenue Exceeds \$3M		Sales Revenue Exceeds \$4M	
LEASE YEAR	TOTAL RENT	TOTAL PER SF	TOTAL RENT	TOTAL PER SF	TOTAL RENT	TOTAL PER SF	TOTAL RENT	TOTAL PER SF
6	\$82,763	\$31.06	\$85,000	\$31.89	\$90,000	\$33.77	\$95,000	\$35.65
7	\$84,418	\$31.68	\$86,700	\$32.53	\$91,800	\$34.45	\$96,900	\$36.36
8	\$86,106	\$32.31	\$88,434	\$33.18	\$93,636	\$35.14	\$98,838	\$37.09
9	\$87,829	\$32.96	\$90,203	\$33.85	\$95,509	\$35.84	\$100,815	\$37.83
10	\$89,585	\$33.62	\$92,007	\$34.52	\$97,419	\$36.55	\$102,831	\$38.59
11	\$91,377	\$34.29	\$93,847	\$35.21	\$99,367	\$37.29	\$104,888	\$39.36
12	\$93,204	\$34.97	\$95,724	\$35.92	\$101,355	\$38.03	\$106,985	\$40.14
13	\$95,068	\$35.67	\$97,638	\$36.64	\$103,382	\$38.79	\$109,125	\$40.95
14	\$96,970	\$36.39	\$99,591	\$37.37	\$105,449	\$39.57	\$111,308	\$41.77
15	\$98,909	\$37.11	\$101,583	\$38.12	\$107,558	\$40.36	\$113,534	\$42.60

Next Steps

- Finalize draft lease agreement (including tenant buildout needs)
- Bring back for approval at future meeting
- Concurrent opening of Depot Building & Depot Park!



Recommendation



1) Approve the Letter of Intent for proposed lessee, Double 18, Inc., 2) authorize the City Manager to execute the Letter of Intent subject to approval by the City Attorney as to form and legality and 3) authorize CRA Executive Director, or his designee, to complete lease negotiations and bring back a lease for City Commission approval.

