

City of Gainesville

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



Meeting Agenda

February 16, 2015

3:00 PM

City Hall Auditorium

Community Redevelopment Agency

*Craig Carter (Member)
Todd Chase (Member)
Helen Warren (Chair Pro Tempore)
Yvonne Hinson-Rawls (Chair)
Ed Braddy (Member)
Lauren Poe (Member)
Randy Wells (Member)*

CALL TO ORDER**ROLL CALL****ADOPTION OF THE CONSENT AGENDA****SECRETARY CONSENT**[140706.](#)**CRA December 2014 Meeting Minutes (B)****RECOMMENDATION**

CRA Secretary to the CRA Board: Approve the minutes from the December 15, 2014 CRA Meeting.

[140706_MINUTES DECEMBER 2014_20150216.pdf](#)

[140707.](#)**CRA January 15, 2015 Special Meeting Minutes (B)****RECOMMENDATION**

CRA Secretary to the CRA Board: Approve the minutes of the January 15, 2015 Special CRA meeting.

[140707_MINUTES JANUARY 2015_20150216.pdf](#)

EXECUTIVE DIRECTOR CONSENT[140713.](#)**CRA Project Summary (NB)**

Explanation: As a regular informational item on CRA agendas, Staff provides a brief update on selected referrals, redevelopment projects and development agreements under review. This monthly update is typically a limited sampling of the CRA's many on-going projects, as opposed to a complete list.

CRA Wide

Façade Grant - The Façade Grant program is a competitive matching grant program that is designed to encourage reinvestment in building facades, specifically those located on highly visible target corridors within the district. Applicants must commit to expending (at a minimum) a cash match equal to the grant funds sought in the application. Repairs/upgrades to the façade must be visible at all times from the building's exterior, and maintenance items are not eligible for grant funds.

Economic Development -At the October 2014 CRA Board meeting staff was requested to continue research on economic development incentive programs and bring back a review of current incentive programs and further recommendations. During this review period, the Transformational Projects Incentive Program and Redevelopment Incentive Program will remain on hold. At the December Board meeting, the CRA voted to discontinue its two loan programs, the Grow Gainesville Fund and the Capital Access Program. Staff will be bringing back further recommendations for economic development incentive programs at future meetings.

Acting on behalf of the City, the CRA is currently seeking a single tenant for the Depot Building to operate the restaurant, café, retail and flexible spaces.

Eastside Redevelopment Advisory Board (ERAB)

1717 SE 8th Avenue - In December staff completed the Master Plan for the former Kennedy Homes site. The 100% Master Plan continues to define more specific elements of the Preliminary Master Plan. There is an emphasis placed on green spaces (pocket parks), wetland restoration, nature via walking trails, and connectivity throughout the development. The design is strong and provides us with a road map for constructing a new high quality neighborhood that fits into the fabric of the surrounding area. As we transition into the implementation phase of the project, over the next few months, staff will focus on the following steps: develop scopes and contract proposals for zoning and land use, design plat, 1st phase construction documents, and environmental consulting services, develop project delivery strategies for the construction of individual homes, develop a marketing/branding package, creation of architectural and sustainable design standards for individual homes, and discuss ideas for how to work with banks or other financial institutions to assist in the financing of the site and homes.

GTEC Area Master Plan & Phase 1 Development -- The 13-acre GTEC Area Master Plan site is located between SE Hawthorne Rd and SE 8th Ave, and SE 20th St and SE 24th St. In 2011, CRA staff created a conceptual master plan for the site, that included an office and retail focused mixed-use development, aiming to retain GTEC graduate companies in east Gainesville and attract new businesses to the area. The plan was approved by the CRA Boards in 2011, and served as the basis of design for the current Master Plan project.

In Dec. 2013, CRA was granted a Partial Release of two mortgages encumbering unimproved sections of the GTEC parcels, making the land available for redevelopment. In Dec. 2013, CRA contracted Brown & Cullen Inc. to lead the design team for the GTEC Area Master Plan project. A joint kick-off stakeholder meeting for the GTEC Area Master Plan and the Former Kennedy Homes projects was held in Dec. 2013. In Feb. 2014, a 30% Conceptual Master Plan was presented to the public and approved by the CRA Board. A 60% Preliminary Master Plan was presented to the public and approved by CRA Boards in April. The 100%

Final Master Plan was approved by Eastside Advisory Board in August and will be presented to the CRA board in the coming months.

CRA has been also working on creating private sector partnerships for commercial building construction on site. In March, CRA Staff issued an RFP seeking qualified developers interested in constructing new commercial or office buildings on about 9.3 acres of the total master plan area, located east of SE 21st St. The same month, the CRA Board approved a GTEC Land Development Phase 1 Construction Documents contract proposal from JBPro for civil engineering services. The project goal is to design and permit the required infrastructure to serve future building development on parcels no. 11340-0-0 and 11341-0-0. Preliminary submittal for Development Board Review and GRU permit were done in July.

To ensure a holistic development approach to the proposed short and long term improvements on site, CRA staff is currently working on branding the GTEC area and creating a phasing plan for the implementation of the project.

ERAB Residential Paint Voucher Program - Due to the success of the FAPS Residential Paint Voucher Program the CRA Board advised staff to implement a sister program within the Eastside Redevelopment Area. Staff worked with the CRA attorney to draft language for a program that meets the Eastside Redevelopment Plans of "Support and encourage improved appearance and design of both public and private projects. Strategies may include, but are not limited to, developing design guidelines, providing design assistance, façade grant and/or paint programs, incentives, and partnerships with both the public and private sector." Like the FAPS Residential Paint Voucher Program, the Eastside Redevelopment Area Program will provide an eligible applicant with a voucher for paint and painting supplies up to \$500 to be used for the exterior painting of their home. Two homes received vouchers in the last quarter of 2014, we have 2 applications currently pending.

Greater Duval Neighborhood Revitalization Initiative (NRI) - The CRA is pleased to participate in the Greater Duval Neighborhood Revitalization Initiative (NRI). The NRI is a program that aims to serve more families in an identified community by pairing the areas greatest social service providers and other community partners with the needs, aspirations, and goals of the identified community. The NRI empowers residents to revive their neighborhood and enhance the quality of life for families. A portion of the Eastside district has been identified to participate in the NRI, the area is bordered on the west by NE Waldo Road, on the South by E. University Ave, on the East by SE 31st St, and on the North by NE 12th Ave.

The NRI alliance is made up of Alachua County Habitat, the CRA, Neighborhood Housing Development Corporation (NHDC), Central Florida Community Action Agency, Rebuilding Together NCF, City of Gainesville, GRU, Gainesville Housing Authority, Mt. Carmel Baptist

Church, and Suskin Realty. The NRI is a holistic effort that recognizes and builds on what is good in a neighborhood and on residents' dreams both of which can be hidden by years of neglect. The NRI approach celebrates and enhances the abilities of everyone involved, residents' drive this revitalization effort, the work of the NRI can include forming neighborhood watches, building or repairing houses, replacing heating and air units, roof repair, or building a community garden.

To that end the CRA launched a pilot partnership with Alachua Habitat for Humanity called the "Partnership for Paint" program. Habitat currently manages a program called "A Brush with Kindness" the program helps preserve homeownership by partnering with homeowners struggling to restore and maintain a safe and decent place to live. Habitat's A Brush with Kindness program provides volunteer groups who come alongside and assist homeowners in completing minor repairs, painting, and other home maintenance. The program allows the CRA to offer a grant of up to \$500 to eligible home owners in the NRI area. The \$500 grant will be applied to the fee associated with participation in "A Brush with Kindness".

Staff as well as Alachua Habitat is currently accepting application for the Partnership for Paint Program, we currently have completed 7 homes with an eighth planned for February.

Downtown Redevelopment Advisory Board (DRAB)

SW 5th Avenue - The design of the SW 5th Avenue sidewalk and enhancements has reached 60% completion. Staff distributed the 60% plans to the appropriate departments for review and has since received comments from each department. Based on the comments received, the design team has been instructed to move forward with 90% design development.

A neighborhood workshop was conducted with the home owners affected by the sidewalk design on January 28, 2015. Home owners were provided a rendering of how their homes would look after the construction of the sidewalk. CRA staff gave a presentation and then answered questions to make certain that everyone understood the process for this undertaking.

Downtown Plaza - On this agenda.

Downtown Residential Paint Program - Fliers have been disseminated in the first community (Porters) seeking applicants for the program. Area churches have been solicited as volunteers to help assist with the painting of homes for those residents who may need assistance. Churches that have signed up thus far are PASSAGE Family Church and Alive Church.

Depot Park - On this agenda

Power District - On this agenda

South Main Street - After receiving over 350 comments to a stakeholder project survey released in September and October, CRA staff and the consult team hosted a series of follow-up stakeholder and community events on Wednesday, November 19 to continue investigating possible improvements to the S. Main St. corridor. The first event was a lunchtime walking tour and pedestrian evaluation of the corridor in which 30+ citizens, business, and property owners participated. Later that evening, the project team hosted a drop-in open house at First Magnitude Brewery from 4:00 pm -7:00 pm. Attendees took part in an interactive series of themed stations in which the project was discussed and feedback was solicited. The input that was received is now being organized, reviewed, and incorporated into the vision by the project team.

Next steps include attending additional one-on-one coordination meetings with area businesses, property owners, and stakeholders to discuss the area and validate the draft project planning principles. We are also drafting a targeted program for properties along the corridor to assist businesses envision how minor aesthetic improvements could enhance the appearance of their property and the overall corridor. This exercise may lead to future façade grant applications.

College Park University Heights Redevelopment Advisory Board

NW 5th Avenue (1300-2000 blk) - The design of the NW 5th Avenue corridor has reached 30% completion. The 30% plans were distributed to the appropriate departments for review and comment. Staff received comments from the respective departments on April 29th and has since instructed DRMP, Inc. to move forward with 60% design development. During this phase of design, DRMP, Inc. will be working closely with GRU to coordinate a design and layout for undergrounding the utilities along the corridor.

NW 1st Avenue Streetscape (1600-1900 blocks): Phase 2 - In summer 2012, CRA hired Perkins & Will and Causseaux, Hewett, & Walpole, Inc. (CHW) to produce a Basis of Design for the corridor. During that design phase, design team met with City department representatives and other stakeholders in order to develop a comprehensive and collaborative approach for the corridor. The Interim Basis of Design, dated April 2013, was the output of this collaborative effort and served as the starting point for the Phase 1: 15% Construction Documents project, led by CHW. Through extensive stakeholder engagement, design team developed a desired scope of streetscape improvements and created a conceptual street layout. The product of this process was the 15% Construction Documents, approved by the CRA Boards in April. The current Phase 2 Design contract, led by CHW, includes the full development of the 15% Construction Documents concept into a complete, permitted, set of construction documents ready for construction and installation. 50% Construction Documents was

approved by the CRA Boards in September.

Fifth Avenue Pleasant Street Redevelopment Board

A.Q. Jones House Museum - Construction documents have been completed for the building. Staff is waiting on a GMP from a CRA Construction Management Company.

Neighborhood Spruce Up Program - The second round of the FAPS Residential Paint Voucher Program is on-going. Staff recently approved an application in late January. Additionally we will re-advertise the program to seek out additional applicants.

NW 3rd Ave. Sidewalks - On this agenda

Seminary Lane - On this agenda

Fiscal Note: None at this time

RECOMMENDATION

*CRA Executive Director to the CRA Board:
Receive project update from Staff*

[140733.](#)

Depot Park Construction Administration Contract (B)

Explanation: At the December 2014 CRA Board meeting, the CRA Board heard a presentation from staff and approved the Depot Park Construction Documents and Guaranteed Maximum Price (GMP) for Construction. As was presented during that meeting, one of the next steps in the process towards the park's construction is to contract with the design team for construction administration services throughout the duration of the construction phase of the project.

CRA staff has requested a proposal from the JBrown Professional Group (JB Pro), the lead consultant on the Depot Park project, for construction administration services. The proposal is for the amount of \$179,654.00. The scope of work under this contract includes the Depot Park design team to be under contract throughout the duration of construction. Construction is scheduled to begin by April 1, 2015 and have one year duration (the park construction start date is dependent upon the Public Works Department's close out of the stormwater and Non-MGP remediation projects). JB Pro has within the construction administration proposal to provide the following services during the construction phase of the project (the full proposal is included as backup to this item):

- *Includes the following design trades for Depot Park:*
 - o *Civil Engineering and Team Lead: JBrown Professional Group*
 - o *Landscape Architecture: JOLA, Inc.*
 - o *Electrical Engineering: John Searcy & Associates, Inc.*
 - o *Architecture: Bender & Associates, P.A.*
 - o *Structural Engineering: Southard Engineering, Inc.*

- Coordination with the Owner and the Construction Manager
- Bidding and sub-contractor selection phase coordination with Owner and Construction Manager
- Weekly construction meetings (for select design team members during select phases of construction)
- Review submittals and shop drawings
- Review and address Requests for Information (RFIs) from the Construction Manager
- Field Orders and Engineering Supplemental Instructions (ESIs)
- Review and response to Change Use Authorization (CUAs) Requests by the Construction Manager
- Review Construction Manager pay applications and inspect/verify work completed
- Review material selections and mock-ups
- Site inspections
- Substantial completion walk-through and punch list
- Final completion walk-through and punch list
- Permit close out
- As-built drawings
- Organization of all warrantee documents, submittals, and product information into the draft Maintenance Manual
- Completion of the park Maintenance Manual

..Fiscal Note

Funding for Depot Park, Park and Recreation Improvements is currently available from sources allocated specifically to the project over a number of years. Specifically, funding for this construction administration proposal will be encumbered from the 2015 CIP Depot Park funds. The remaining funds in Depot Park project accounts after this encumbrance will be approximately \$467,000.00. Of that remaining balance, \$106,500.00 has been earmarked for equipment start-up and maintenance for the first year of park operations, as was presented in the FY 2015 City Budget.

Fiscal Note: Funding for Depot Park, Park and Recreation Improvements is currently available from sources allocated specifically to the project over a number of years. Specifically, funding for this construction administration proposal will be encumbered from the 2015 CIP Depot Park funds. The remaining funds in Depot Park project accounts after this encumbrance will be approximately \$467,000.00. Of that remaining balance, \$106,500.00 has been earmarked for equipment start-up and maintenance for the first year of park operations, as was presented in the FY 2015 City Budget.

RECOMMENDATION

CRA Executive Director to CRA Board: Approve the JBrown Professional Group proposal for Depot Park Construction Administration for the amount of \$179,654.00, and authorize the CRA Executive Director to execute all pertinent documents subject to form and legality by the CRA Attorney.

[140733_PROPOSAL_20150216.pdf](#)

ADOPTION OF THE REGULAR AGENDA**SECRETARY****EXECUTIVE DIRECTOR**[140712.](#)**Seminary Lane (B)**

Explanation: Seminary Lane was a multifamily low-income housing development located on NW 5th Avenue. The property is approximately 5.9 acres in size; it is owned by the Gainesville Florida Housing Corporation (GFHC) and was managed by the Gainesville Housing Authority (GHA). The development was constructed in the same era as Kennedy Homes, and was deconstructed due to severe deterioration of the buildings which left the development largely uninhabitable. The property is located midway between Downtown and the University of Florida, in the heart of the Fifth Avenue community. It is cleared/ vacant, and its condition, large size, and central location provide great redevelopment potential. The CRA has long expressed interest in the long term vision for the property, and has communicated willingness to participate and assist in the development should the Gainesville Florida Housing Corp. and GHA desire to move forward with redevelopment of the site.

In April 2010 CRA staff and the Gainesville Housing Authority (GHA) staff presented an item to the CRA Board regarding the former Seminary lane property. CRA staff and GHA requested that we partner in the redevelopment of the former Seminary Lane properties. At the conclusion of the item the CRA board moved to “authorize staff to participate in the discussions with the Gainesville Housing Authority”.

In the following years discussion regarding the redevelopment of the property stalled, and the site has remained vacant and undeveloped. In June of 2013 CRA staff met with the Gainesville Florida Housing Corporation (GFHC) and the GHA to again discuss the possibility of partnering on the redevelopment of the site. This meeting led to GHA and GFHC sending a formal request of assistance to the CRA to aid in the redevelopment of the site. Subsequently, CRA staff sent a letter of response to both organizations outlining a tentative partnership agreement.

On July 19th, CRA staff presented a proposed structure for a partnership agreement at the GFHC board meeting, the board unanimously voted to support the execution of a formal agreement through the creation of a Memorandum of Understanding and real estate option contract on the former Seminary Lane property. Staff also presented the partnership agreement to the GHA board on July 23rd, where they voted in support of the agreement.

In August 2013 staff came before the CRA Board requesting that the Board approve the CRA Executive Director negotiate a real estate option agreement with the Gainesville Florida Housing Corporation subject to approval by the CRA Attorney as to form and legality. Upon negotiating the option agreement bring back the completed agreement to the CRA Board for review and approval.

Since the August 2013 CRA meeting staff has held ongoing negotiations with GFHC as well as the GHA. During this period the CRA obtained a real estate option on 3 City Owned parcels which are contiguous to the former Seminary lane property (City Parking Lot, Tot Lot, & Moms Kitchen Property). CRA staff has also developed two conceptual master plans that incorporate many of the shared goals the CRA, GFHC, and GHA have for the property. These conceptual master plans were presented to both the GFHC Board and the GHA and both boards voted unanimously in support of the vision of the plans.

In January of 2015 CRA staff and GFHC wrapped up negotiations on a proposed option agreement on the former Seminary Lane property. The Option Agreement (see back up) provides GFHC with \$25,000 in consideration for the property; it states that the CRA and GFHC will work together on the predevelopment/due diligence and vision for the property. The option agreement also provides the CRA with the Right of First Refusal, the ability to assign the option, as well as three optional one year renewals.

Fiscal Note: None at this time

RECOMMENDATION

CRA Executive Director to the CRA: Authorize the CRA Executive Director to execute an Option Agreement with the Gainesville Florida Housing Corporation subject to approval by the CRA Attorney as to form and legality.

[140712a PRESENTATION_20150216.pdf](#)

[140712b OPTION_20150216.pdf](#)

140714.

Power District (B)

Explanation: As the CRA continues to implement the various elements of 2013 Redevelopment Plan and coordinate departmental involvement in the process, Staff has a presentation update to the Board on the many activities currently underway. Because of the complex and dynamic conditions of the Power District site, multiple independent yet interrelated tasks are being conducted so to craft a comprehensive redevelopment strategy. These efforts will help identify and prioritize needed capital investments and resources from the various agency stakeholders participating in the redevelopment of the Power District. The update is to include information related to the recently completed rezoning and land-use change, Utility Infrastructure Analysis, Sweetwater Branch Creek Daylighting Feasibility Study, Existing

Environmental Conditions, factors influencing the Property Disposal Strategy, Existing Building Needs Assessment, programming, and short-term aesthetic site improvements. These various initiatives underway will serve as specific near future agenda items for the Board to hear and provide guidance to CRA Staff.

Fiscal Note: None

RECOMMENDATION

CRA Executive Director to CRA Board: 1) Receive update and presentation; and 2) Provide feedback to Staff

[140714 PRESENTATION 20150216.pdf](#)

140715.

NW 3rd Ave. Sidewalks (B)

Explanation: At the April 2014 CRA meeting the Board approved the NW 3rd Avenue Sidewalk Feasibility Study. The study evaluated various alternatives to the feasibility of adding sidewalks to portions of NW 3rd Ave. between NW 13th St. and NW 6th St. and a segment of NW 8th St. between NW 3rd Ave. and NW 4th Ave. in an attempt to fill approximately 2,000 feet of missing sidewalk gaps along these neighborhood corridors. The NW 3rd Ave. corridor serves as a shared boundary between CPUH and FAPS districts and therefore both advisory boards were also involved in the planning and approval process. The narrow 30' right-of-way width coupled with the proximity of obstructing structures to the roadway are limiting factors to the possibility of adding sidewalks to the corridors. The Feasibility Study was conducted to determine design alternatives that could provide basic pedestrian accommodations that meet current engineering design guidelines.

Following the approval of the Sidewalk Feasibility Study, the project engineering consultant and CRA staff proceeded with the development of Construction & Bid Documentation. These documents received 60%, 90%, and 100% reviews from the various city permitting agencies. The final plans which are included as Backup have received an approved Right-of-Way Use permit and the Maintenance of Traffic permit process is underway. They also served as the basis of the construction contract bid proposal being presented for approval. As an agent of the City, the CRA is proposing to utilize an existing continuing services contract between Public Works and Hicks Seal Coating and Striping, LLC. The construction is expected to take approximately 60 days with periodic lane closures and minor detours. As a result of the shared boundary along NW 3rd Ave. between CPUH and FAPS, the funding of the construction is being proportionally split according to the location of individual construction items and services at the following rate.

- Fiscal Note:*
- 1. Base Bid Amount = \$204,619.23*
 - 2. 10% Contingency Amount = \$20,461.92*
 - 3. Tree Credit Contributions = \$200*
 - 4. Total Project Construction Cost = \$225,281.15*
 - 5. CPUH Contribution Amount = \$195,803.30*

6. FAPS Contribution Amount = \$29,477.85

RECOMMENDATION

CRA Executive Director to the CRA Board: 1). Approve the 100% Construction Documents; and 2). Approve the Construction Contract Proposal and Contingencies in the amount of \$225,281.15.

[140715a PRESENTATION 20150216.pdf](#)

[140715b HICKS BIS 20150216.pdf](#)

[140715c FINAL PLANS 20150216.pdf](#)

[140715d SPECIFICATIONS 2015216.pdf](#)

[140716.](#)

Downtown “Bo Diddley” Plaza: North Side Project Update and Guaranteed Maximum Price Proposal (B)

Explanation: At the October 2014 CRA meeting, CRA Staff gave a detailed presentation on the feedback received from internal and external stakeholders regarding the three design schemes for the improvements on the north side of the Downtown Plaza. The overarching goals of the concepts are to improve safety, visibility and accessibility on the Plaza and to increase its functionality and flexibility. The concept plan included three building additions to the north side including a green room addition with a water wall feature addressing University Avenue, a café on the northeast corner and an information kiosk on the northwest corner. All improvements would assist in supporting events, increasing programming and to help activate the Plaza during times when it's underutilized.

The Staff Recommendation was approved by the Board to move forward with the conceptual design of Scheme “3” for submission to the review process. Just short of three months later, the project has successfully made it through the Minor Development Plan review process and is pending a Final Development Order. The Plaza is set to be closed for construction at the beginning of March in anticipation of building permits being issued.

Simultaneously, Staff has been working with the design team to incorporate stakeholder feedback and CRA Board comments received. In this presentation, comments will be identified and addressed. Staff has also been working with Oelrich Construction on preparing and negotiating a Guaranteed Maximum Price proposal for construction of the improvements. Staff will speak to the scope of the project, the anticipated schedule and the proposed price for construction of the improvements. 90% construction documents can be downloaded at this Dropbox location:

<<https://www.dropbox.com/s/7ypt9zpsdc3lfwe/2015.0212%20Downtown%20Plaza%2090%25%20CD%27s.pdf?dl=0>>

CRA Staff has also been at work addressing Board and community priorities such as Plaza operations and programming; including but not

limited to park operations and policies, diversity in programming, number of events and daytime activities, rental policies, revenue potential, and adjacent parking. Work has begun on these efforts, and Staff will highlight findings to date. The Bethel Station Request for Proposals (RFP) is also wrapping up and CRA Staff will announce and introduce the successful restaurateur along with next steps for the new tenant who will occupy the building and desires to get up and running during construction.

Fiscal Note: Staff recommends funding from the following Downtown Redevelopment Area accounts: W201 Downtown Plaza (\$918,011.25), W219 Acquisitions/Options (\$133,998), W256 ED Finance (\$423,313.78), W260 Community Partnerships (\$150,000) and W736 Power District (\$238,000). CRA has also applied during the last two cycles for CIP funding for the water wall feature in the amount of \$269,500.

RECOMMENDATION

Downtown Redevelopment Advisory Board to the CRA Board: 1) Approve 90% construction documents as presented; and 2) Approve the Guaranteed Maximum Price proposal in an amount not to exceed \$1,900,000.

CRA Executive Director to the CRA Board: 1) Approve the Guaranteed Maximum Price proposal from Oelrich Construction in the amount of \$1,863,323.00, 2) Authorize the CRA Director to execute "Exhibit E", the official Notice to Proceed accepting the GMP for the Construction Management Contract; and 3) Authorize the CRA Executive Director to execute all necessary documents, as subject to review and approval by the CRA Attorney as to form and content.

[140716a PRESENTATION 20150216.pdf](#)

[140716b GMP 20150216.pdf](#)

[140716c 90% DOCUMENTS 20150216.pdf](#)

TIME CERTAIN ITEM - 6:00 PM

[140717.](#)

University Corners Transformational Projects Incentive Program Application (B)

Explanation: University Corners is a proposed mixed use development 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 CRA received an application for a group of developers led by the Swerdlow Group for the Transformational Projects Incentive Program for the University Corners project in February 2013. The application was revised and resubmitted in April 2013 and July 2013. The developer also provided supplemental information in August 2013.

The final revised application of University Corners project as presented to the CRA Board at its November 18, 2013 meeting consisted of 78,330 square feet of retail, 500 residential rental units, 142 hotel units, approximately 1,131 parking spaces and common areas and courtyards. The developers indicated that they would meet affordable housing and green building requirements. The final incentive request from the developers was for \$48,786,336 (\$24,182,156 Net Present Value) over 20 years to assist the project.

CRA staff prepared a report containing its review and analysis of the application which was discussed at the November 18, 2013 CRA Board meeting. At that time CRA staff recommended rejecting the application because it did not satisfactorily meet several program requirements including, affordable housing, Green Building requirements, and did not provide all of the requested application materials needed for analysis such as individual cost breakdowns, and property deeds, leases or letters of intent from tenants. Additionally the applicant requested more funding than it was eligible to receive and did not demonstrate a "but for" gap that could be verified.

CRA staff also recommended that the applicant enter into discussions with the CRA to discuss ways that the CRA could assist with public infrastructure elements of this private development project.

After hearing from CRA staff, the developers and members of the public, the CRA Board directed the developers to begin discussion with the CRA about potential public infrastructure assistance and to comply with Davis-Bacon Act wage requirements, hire locally, explain the public benefits of the project to the City, and that the project adhere to the affordable housing, green building requirements of the Transformational Projects Incentive Program in order to be considered for any public financing assistance the project.

Following the November 18, 2013 CRA Board meeting, the CRA staff and its consultants had frequent interactions and meetings with the development team to discuss the project and to identify project components where costs could be reduced, where revenues could be increased and to identify alternative sources of financing that could potentially assist this project. A detailed analysis of the actual parking needs was performed as part of the CRA's analysis.

At the March 17, 2014 meeting, CRA staff provided an update on the discussions to date and proposed ways to best assist this project to move forward. The CRA recommended the following: providing some CRA assistance with public infrastructure to the project, a reduction of the size of the parking garage to eight stories or fewer, and public ownership of a portion of the parking garage spaces. At this meeting the CRA board approved up to \$3.5 million in public infrastructure assistance and requested that staff return with more specific cost breakouts for the public infrastructure assistance and also requested staff to ask NDC to begin negotiations with the University Corners

developers for purchase of public spaces in the parking garage and New Markets Tax Credits to assist with a potential grocery store.

The CRA and University Corners developers met and identified 10 possible public infrastructure improvement projects for which University Corners provided specific cost breakouts. University Corners estimated hard costs for construction at a total of \$2,453,660.45 and soft costs of \$874,264.17 for a grand total of \$3,327,925.62. CRA staff then had a third party construction manager provide unit costs for hard cost items for a total of \$2,227,857.80 - \$2,642,397.80 (*includes cost for stormwater vault as provided by University Corners). This cost information was then reviewed by CRA staff. While many of the unit cost projections differed, the grand total for the estimated hard costs were comparable. Due to the early stage of the project, these were preliminary estimates of costs and it is expected that these costs will continue to evolve as the project moves from preliminary to actual design phases.*

At the April 21, 2014 meeting the CRA heard a presentation about the 10 possible infrastructure projects and confirmed prior approval of up to \$3.5 million to assist with these public infrastructure costs.

Subsequent to this meeting, the CRA was informed that the option for the land purchase had been assigned to a new development team, Landmark Properties which is based in Athens, Georgia and specializes in student housing. Landmark Properties became the new lead developer for the project and indicated that it would be retaining the Swerdlow Group as a member of the team. Landmark Properties indicated its intent to proceed with the project as previously described and that it did not intend to make any material changes to the project's unit mix composition as submitted in the prior applications. Landmark Properties did, however, indicate that its plans for the parking garage involved returning to the original plans for a 10 story garage that would be privately-owned and managed. In light of this change, discussions between the CRA, NDC and the developers regarding the public portion of the parking garage were discontinued. Additionally, the developers indicated they did not want to pursue New Markets Tax Credits and that discussion was ended as well.

At the June 16, 2014 CRA Board meeting the new developer was introduced to the Board. Landmark Properties assured the Board that it intended to proceed with the project as previously described and did not intend to make material changes to the project's unit mix composition. The CRA Executive Director informed the Board that if any material change to the approved project were proposed, it would be brought to the Board for consideration. The Board's prior approval authorizing the public infrastructure assistance for the project granted at the April 21, 2014 meeting was reaffirmed, and staff was requested to prepare a development agreement.

After that time, Landmark Properties lost the option to purchase the property and then later renegotiated with the land owner to purchase the property in the fall of 2014 and currently owns the land. Following the land transfer, and with the project moving forward again, discussions regarding the development agreement resumed

CRA staff has been meeting with the developers and their legal counsel to prepare the final development agreement to bring to the Board for approval. During this process, it has come to light that Landmark Properties wishes to make a change deemed to be substantial to the previously approved project for which the CRA Board approved up to \$3.5 million for public infrastructure assistance. Landmark Properties is requesting a reduction in the size of the project's retail component from 78,330 to 60,000 square feet. CRA staff provided the developers with copies of the PowerPoint presentation with the CRA Board's requests that the project contain affordable housing, adhere to green building standards (LEED or equivalent) and comply with Davis-Bacon Act wage requirements, and has asked Landmark Properties to address any changes it wishes to make to what was previously agreed. Landmark Properties requested a special meeting to address the CRA Board to discuss its requested change.

At the January 15, 2014 Special Meeting the developer's request to the change of size for the retail was discussed and staff sought clarification from the Board on whether its prior requests for affordable housing, green building standards and other public amenities such as public parking and new transportation options should be included in the development agreement. After hearing from the public, the Board requested that staff set up a special meeting of the College Park/University Heights advisory board to gain feedback.

On January 2015 a Special Meeting of the College Park/University Heights was held to accommodate this request. The College Park/University Heights Board unanimously recommended to the CRA Board to allow the retail component of the Standard's application to be reduced to 60,000 square feet. A motion requesting the Standard's height be reduced to 70 feet failed due to lack of majority vote and was tied 4-4 with 1 member abstaining. The CPUH Board also recommended by a vote of 8-1 to request the CRA Board that the CRA review the financial justification of the \$3.5 million investment as if it were to meet what would typically be a "but for" gap.

Today's presentation will provide an opportunity to answer questions and provide clarification on matters that have been raised in recent board meetings.

Fiscal Note: Approved infrastructure costs would be included in the College Park/University Heights FY2015 budget

RECOMMENDATION

CPUH Board to CRA Board: 1) Allow the retail component of the Standard's application be reduced to 60,000 square feet; and 2) Request the CRA Board review the financial justification of

the \$3.5 million investment as if it were to meet what would typically be a "but for" gap.

CRA Executive Director to CRA Board: 1) Consider change to the approved project as requested by the developer; and 2) Provide clarification on previous CRA Board requests.

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[140717b_PRESENTATION STANDARD_20150216.pdf](#)

[140717c_MEMO ENTITLEMENTS_20150216.pdf](#)

CRA ATTORNEY

REPORTS FROM ADVISORY BOARDS/COMMITTEES

MEMBER COMMENT

CITIZEN COMMENT

ADJOURNMENT