



Heartwood



Request for Bid Award and Financing Plan
CRA Board - June 19, 2017



Heartwood

- ☐ Context of Heartwood
- ☐ Overview of Bid Process
- ☐ Proposed Financing
- ☐ Next Steps



Heartwood



Joseph Williams
Elementary School

Church of God
by Faith

Project Boundary

S.E. 8th Avenue

S.E. 15th
Street

Abraham Lincoln
Middle School



Heartwood

Lincoln Estates

Boys & Girls
Club



Heartwood





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COMPLETED

- Land Use and Zoning Change from RMF-7 to RMF-5
- Development of conceptual architecture
- Market Analysis for the Conceptual Models
- Neighborhood workshops
- Multi-agency Environmental analysis
- Appraisals on improved lots
- Solicitation for site contractor

IN PROCESS

- Submitted Permitting Documents to City Planning
- Submitted Permitting Documents to SJRWMD
- Planning for GRUCom Pilot
- Planning for Fire Sprinkler Pilot
- Bid sets for home builders



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MAY 2017 INVITATION TO BID PROCESS

- Three “responsive and responsible” submittals
 - ✓ \$1,824,998.25 – W.G. Johnson & Son, Inc. (Withdrew their bid)
 - ✓ \$2,542,810.00 – O’Steen Brothers, Inc.
 - ✓ \$2,920,000.00 – John C. Hipp Construction Equip Company
- Proposed budget for construction

Bid Amount	\$	2,542,810.00
W920 Balance	\$	1,118,116.59
C333 Balance	\$	305,362.51
Proposed Loan	\$	1,100,000.00
Sub-total	\$	2,523,479.10
FY18 Budget Adjustment	\$	19,330.90



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FINANCING CRA PROJECTS

- **Heartwood + Cornerstone = Major Eastside Community Initiatives**
- **Typical Revenue Split**
 - 8% Eastside
 - 8% Fifth Avenue/Pleasant St.
 - 32% Downtown
 - 52% College Park/University Heights
- **Current CRA Loan Repayments**

Loan Repayments	ERAB	FAPS	DRAB	CPUH	Total CRA
West Univ. Ave. Lofts Note	\$ -	\$ -	\$ -	\$ 32,719	\$ 32,719
SW 2nd Avenue Note	\$ -	\$ -	\$ -	\$ 57,723	\$ 57,723
Eastside District Note (Tacklebox Bond)	\$ 21,647	\$ -	\$ -	\$ -	\$ 21,647
Downtown Parking Garage Note	\$ -	\$ -	\$ 112,400	\$ -	\$ 112,400
Commerce Building Note	\$ -	\$ -	\$ 72,679	\$ -	\$ 72,679
UDAG Repayment		\$ 24,500			
FAPS Model Block Note	\$ -	\$ 52,198	\$ -	\$ -	\$ 52,198
5th Ave Commercial Building Retail Note	\$ -	\$ 26,016	\$ -	\$ -	\$ 26,016
Total Loan Repayments (From Fund 111)	\$ 21,647	\$ 102,714	\$ 185,079	\$ 90,442	\$ 399,882



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PROPOSED FINANCING DETAILS

\$1,100,000 @ 3.5% Interest

- Total Interest ~\$114,508
- Projected Life – October 2017 – 2022
- Interest only payments until 2019
- Balloon Payments:
 - October 2019 - \$450,000 to \$500,000 based on available funding
 - October 2020 - \$200,000 to \$250,000 based on available funding
 - October 2021 - \$225,000 to \$270,000 based on available funding
 - October 2022 - \$65,000 to \$80,000 based on available funding



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POTENTIAL BENEFITS

- Includes Home Buyer Assistance of \$170,000 (\$5,000/lot for 34 lots)
 - GRUCom Pilot
 - Fire Sprinkler Pilot with GFR
- Loan and payment schedule will allow for the tax base to grow
- Balloon payments will prevent excess interest expense and create a shorter timeline for repayment

MARKETING EFFORTS



Heartwood Fence Wraps



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NEXT STEPS

- Complete Permitting
- Execute Contract with O'Steen Brothers, Inc.
- Secure Preferred Builders List
- Develop Final Pricing for Lots and Homes
- Site Construction to Begin July 2017



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RECOMMENDATION

CRA Executive Director to CRA Board:

- 1) Approve CRA Staff to utilize account #C333 towards the Heartwood site improvements,**
- 2) Approve the CRA Executive Director to move forward with securing a loan from the City of Gainesville for Heartwood site work as described**
- 3) Approve the award of the Invitation To Bid to O'Steen Brothers, Inc., contingent upon the approval of the use of bond funding and loan financing, and authorize the CRA Executive Director to execute all necessary documents as approved by the CRA attorney as to form and legality**