



## Legislation Text

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**File #: 980998, Version: 6**

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### Commercial Building/Downtown Residential Project

On February 16, 1998 the CRA accepted the proposal submitted by AMJ, Inc. of Gainesville for the redevelopment of several downtown City-owned properties. The proposal included the construction of 56 walkup-type residential units to be developed in conjunction with the Commerce Building project and a parking garage proposed on City Hall property.

On June 29, 1998, the CRA heard a report from staff that construction of a parking garage was determined not to be feasible at that time. However, in its place City staff and the developer had agreed to the concept of granting the project legal rights to park on two City surface parking lots at the northeast portion of City Hall. Staff also reported that two nearby properties would be purchased to replace the City Hall employee parking lost to the development and additional on-street parking would be constructed. The CRA approved a motion to authorize the Executive Director to negotiate the purchase of those nearby properties.

On November 16, 1998, the CRA approved a revised project layout, which showed single-car-parking garages for each dwelling unit, a reduction in total units to 46, and the proposed addition of on-street parking on Northeast 2nd Avenue and Northeast 3rd Street.

On January 19, 1999 the CRA heard an update from staff on the status of the development agreement between the CRA, the City and the developer. Staff reviewed pertinent points of the development agreement and informed the CRA that while several details still needed to be worked out between the parties there was general consensus on the substance.

On February 1, 1999 the CRA heard an update from staff on the changes made to the development agreement as proposed by staff and the developer, approved the revised development agreement and recommended that the City Commission also approve the development agreement. A summary of obligations for each party is shown below.

Developer's obligations include: 1) acquisition of the Chamber of Commerce property; 2) acquisition of two lots adjacent to the Chamber of Commerce property; 3) acquisition of City-owned properties; 4) requesting vacation of a portion of NE 1st Avenue; 5) securing development financing; 6) securing development approvals; 7) submittal of the final site and architectural drawings to the CRA for approval; 8) development of Commerce Building; 9) development of residential units; 10) provision of financial guarantee to the CRA for the proposed public improvements and CRA real estate acquisition needed for the project; and 11) recording restrictive covenants to preserve the residential use and protect the appearance of the building exterior.

CRA obligations include: 1) selling the City-owned property to the developer for \$25,000 over time as needed to accommodate the phase construction of the Commerce Building and residential development; 2) reimbursing the developer for development fees in excess of \$20,000 for the residential project, with the CRA's financial commitment not to exceed \$25,000; 3) reimbursing the developer for impact fees and utility fees in excess of \$50,000, with the CRA's financial commitment not to exceed \$20,000; 4) paying the cost of relocating existing electric facilities, in the amount of \$44,400; 5) acquiring two properties for City Hall employees, total cost of which is approximately \$550,000 (original estimated acquisition cost was \$500,000); 6) funding the construction of street and streetscape improvements to portions Northeast 2nd Avenue, Northeast 3rd Street, Northeast 1st Avenue and

Northeast 5th Street, total estimated cost of which is approximately \$200,000; 7) borrowing the funds necessary to cover all its financial obligations; and 8) dedicating the tax increment revenues from the Commerce Building and residential development to repay the loan.

City obligations include: 1) to design, permit and construct the off-site stormwater management basin for the Commerce Building and residential development, preliminary estimated cost is \$75,000; 2) to design or supervise the design, and construct or supervise the construction of the roadway and streetscape improvements funded by the CRA; 3) to design or supervise the design, and construct or supervise the construction of improvements to properties purchased by the CRA, if any; 4) exchange the properties currently owned by the City with those under contract by the CRA; 5) provide construction easement, in adjoining right-of-way, to the developer to accommodate construction of the Commerce Building and residential units; 6) license the two parking lots at the northeast corner of City Hall to the developer for 25 years to provide overflow parking for the Commerce Building and residential units; 7) retain easements rather than establishing right-of-way for the portion of Northeast 4th Street from Northeast 1st Avenue to Northeast 2nd Avenue; and 8) conduct a controlled vehicular parking area study for the area around the project, consider ordinance changes to allow controlled parking with metering, and meter the new on-street parking spaces.

On February 8, 1999, the City Commission approved the development agreement.

AMJ, Inc., the developer of the Commerce Building projects has requested that the commencement and completion dates for the Commerce Building under the development agreement be extended by eight months. The first and second phases of the residential project would also be extended accordingly. The amended dates would extend the dates by eight months, and would change date references in paragraphs 5.01, 15.01, 15.06 (a) and (b). The commencement date will change from September 1999 (at which time commencement did occur through demolition) to May 2000.

On March 2, 2000 the Downtown Redevelopment Advisory Board voted to recommend to the CRA and the City Commission that the extension be granted. On March 20, 2000 the CRA approved the developer's request for an extension.

Estimated cost to the City for the stormwater basin is approximately \$75,000, not including the staff time and materials to design and permit. Estimated cost to the CRA is approximately \$839,400 to be borrowed from the City and repaid from tax increment revenues generated by the new construction. The request for an extension of the dates in the Development Agreement would increase the interest cost payable to the City, thus committing more of the tax increment revenue generated from the project to repay the loan.

Community Redevelopment Agency to the City Commission: Approve the developer's request for an eight-month extension of the commencement and completion dates of the Commerce Building Project and the first and second phases of the related residential project.