



Legislation Text

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Project Update on Gainesville Greens (B)

The developer of the Gainesville Greens project has requested an opportunity to address the CRA Board. A copy of his request is included in the backup.

The developer has experienced a number of unexpected cost increases and has needed to make several changes to the project and request additional funding. The developers cost for the project have grown from \$39 million to \$53 million. In order to make the project feasible, the developer had to remove the LEEDS certification and the affordable housing units. The developer's letter outlines a list of "green" items that will be included in the project.

The developer has provided four options for the CRA to consider.

Option One - if the project offered a fewer number of "green" items and removed the affordable units, the increment request would be 80% of the increment for 20 years.

Option Two- If the CRA chose to add back the LEEDS certification, the increment request would be 96% of the increment generated by the project for 20 years.

Option Three- If the CRA chose to add five affordable units, the increment request would be 96% of the increment generated by the project for 20 years.

Option Four - If the CRA wanted the project with a "Certified" LEEDS green building level and three affordable units, the request would be 98% of the increment generated by the project for 20 years.

Section 163.380(2) provides that interests in real property acquired by a CRA (here the option to purchase Lot 10) may be disposed of in accordance with reasonable disposal procedures, in this case, through the CRA's issuance of a Request for Proposal on 6/17/2005.

Section 163.380(3), Florida Statutes, provides that prior to disposing of interests in real property, notice shall be published soliciting proposals from developers, which are to be submitted within 30 days after publication. Thereafter the CRA shall consider any such submitted proposals and accept such proposals as it deems to be in the public interest.

On September 19, 2005, the CRA considered 4 proposals that had been submitted in accordance with the above procedures and ranked the proposal submitted by Gainesville Greens as number 1, a mixed-use residential project proposal submitted by AMJ as number 2, a condominium/hotel project as number 3, and "City Square," a project that demanded upfront incentives, as number 4.

A question may be raised regarding the CRA's ability to now consider/approve what some might consider a substantially different proposal than that which was submitted, considered and accepted under the above RFP process. A variety of issues and factors would need to be evaluated should this occur.

The developer has provided staff with a new proforma, and the proforma was reviewed by PMG and Associates. The report was received over the weekend. A copy will be provided to the CRA on Monday. Based on the Consultants report staff recommends the CRA approve 80% of the increment generated by the project for 20 years, but require a "Certified" LEEDS green building level and three affordable units.

All CRA incentives are paid after the project is completed and placed on the tax rolls.

Executive Director to the CRA: 1) Provide up to 80% of the increment generated by the project for 20 years and 2) require a “Certified” LEEDS green building level and three affordable units as part of the project.