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4/21/2014	1	Community Redevelopment Agency	Approved as Recommended	Pass

University Corners Transformational Incentive Program Application (B)

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 this project in February 2013. The application was revised and resubmitted in April 2013 and in July 2013. The developer also provided supplemental information in August 2013.

CRA staff prepared a report containing its review and analysis of the application which was discussed at the November 18th 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.

Following the November 18, 2013 CRA Board meeting, the CRA staff and its consultants have had frequent interactions and meetings with the development team to discuss the project and to identify project components where costs could be reduced, 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, 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 the March 17, 2014 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 garage and New Markets Tax Credits.

The CRA and University Corners developers met and identified 10 possible public infrastructure 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 are 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.

Discussions between the CRA, NDC and the University Corners developers regarding the public portion of the parking garage have been on-going.

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

CRA Executive Director to CRA Board: 1) Approve 10 public infrastructure projects as presented; 2) Authorize CRA staff and CRA attorney to draft a development agreement; and 3) Return to CRA Board with a draft agreement for the Board's consideration and approval