



Legislation Details (With Text)

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Title: City Parking Lot # 10 - Contract for Sale and Purchase (B)

This item involves requesting City Commission approval regarding the contract for City Parking Lot # 10.

Sponsors:

Indexes:

Code sections:

Attachments: 1. 181022A_Current Status of Lot #10_20190516.pdf, 2. 181022B_Lot 10 Purchase Agreement_20190516.pdf

Date	Ver.	Action By	Action	Result
5/16/2019	1	City Commission	Approved as Recommended	Pass

City Parking Lot # 10 - Contract for Sale and Purchase (B)

This item involves requesting City Commission approval regarding the contract for City Parking Lot # 10.

Staff released a Request for Proposals (RFP) for Lot #10 on September 20, 2017 and received three (3) proposals of which two (2) were invited to participate in final oral presentations which were held in December, 2017.

Staff evaluators found both final proposals strong and substantive in their own right as each pursued the goals of the RFP albeit in a different manner. Staff recommended the following ranking:

- 1) EDA Engineers-Surveyors-Planners, Inc.
- 2) Concept Construction Inc., a subsidiary of Concept Companies, Inc.

The purchase price offered for Lot #10 by EDA Engineers-Surveyors-Planners, Inc. is \$2,340,000 which is based upon the latest market appraisal. The second ranked proposal offered a purchase price of \$750,000 based upon comparable sales in the area.

On January 18, 2018, the City Commission directed staff to enter into contract negotiations with EDA Engineers-Surveyors-Planners, Inc. and 1+1=3 of Gainesville, LLC for development of City Parking Lot #10 into a mixed use hotel and restaurant use.

On August 18, 2018, the City Commission reviewed the status of contract negotiations and provided the following staff direction:

- Authorize staff to go back and complete negotiations with 1+1=3 of Gainesville, LLC to create an escrow account up to 20% of the purchase price, with clearly defined conditions on how that escrow could be accessed

- Do not pursue the funding of storm water utility fees
- In the future, discuss with RTS the optimal placement of the existing bus shelter
- Work with the developer on diversity in artwork displayed

Since receiving that direction, staff has further negotiated and reviewed several iterations of a proposed contract with the project developer whose features at this juncture are as follows:

- Purchase price of \$2,340,000 (the latest market appraisal)
- Due diligence period is 120 days of contract execution with \$50,000 deposit refundable if not moving forward; performance benchmarks to be met by Buyer during this period
- Parking to be procured by developer relative to SW Parking Garage (Seller and Buyer may voluntarily enter into agreement regarding staging and temporary construction office space)
- Development of 120-140 room full service hotel with 2 restaurants and meeting space
- City provides environmental indemnity and funds in escrow (40%) for potential remediation of pre-existing environmental condition
- Two reverts relative to permits being pulled and development completion
- Security provided in the event project is started but not completed
- Closing is within 30 days following due diligence and achievement of performance benchmarks and contract is assignable

The total cost to construct this project is reported as approximately \$26 million dollars and construction and operational economic impacts regarding Output, Earnings, Employment, and Taxes are reported in an economic development analysis submitted as part of the RFP process and attached as back-up.

The purchase price offered for Lot #10 by EDA Engineers-Surveyors-Planners, Inc. is \$2,340,000 which is based upon the latest market appraisal.

The City Commission: 1) hear a presentation from staff; 2) direct the Interim City Manager to execute the Contract for Purchase and Sale regarding City Parking Lot #10 and all related documents.