



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 sale and purchase of City Parking Lot # 10.

Sponsors:

Indexes:

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Attachments: 1. 201109.A_Lot 10 PSA - Final Draft 10-5-21.pdf_20211021, 2. 201109.B_Lot 10 Term Sheet AMJ Group Inc..pdf_20211021.pdf

Date	Ver.	Action By	Action	Result
10/21/2021	2	City Commission	Approved as Recommended	
5/6/2021	1	City Commission	Approved, as shown above	Pass

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

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

On January 7, 2021 the City Commission approved an Offering Memorandum designed to solicit proposals for the redevelopment of City Parking Lot #10.

On May 6, 2021, the City Commission reviewed three (3) proposals from: Ken McGurn, AMJ Group, Inc. and Predesco Property Investments, LLC and directed the following:

(1) negotiate with AMJ and ask to come back with more information about what 25% subsidized and 50% subsidized housing looks like with very clear definitions around workforce, low income, very low income as well as the opportunity to include housing for seniors and people with disabilities; 2) come back with a terms sheet (see that information and understand how the conversations are going, as we go throughout the process) in August.

On August 19, 2021, the City Commission approved a term sheet with AMJ with the following motion:

(1) Accept term sheet and sale of Lot 10 with the exception of the lease of office space and before closing bring back negotiation on an affordable housing program; and (2) Direct staff to bring back information to the Commission a structure on the affordability subsidies as well as the "My Neighborhood" program, with recommendations included from the Office of Equity and Inclusion and options specifically for this development.

Since the August 19th meeting staff has reviewed a Contract for Purchase and Sale and a Development

Agreement with AMJ encapsulating the approved terms sheet components as well as an affordable housing program.

The major components of the Contract for Sale and Purchase are:

Purchase price - \$2,045,000 (at closing)

Use of Funds from Sale - \$350,000 (site improvements); \$1,000,000 (affordable housing)

Requesting pedestrian bridge connection into SW Parking Garage

Affordable Housing Program (see below)

Parking in addition to that provided on-site will be within the SW Downtown (City) Parking Garage

Use of site: Minimum of 7 stories multi-use inclusive of grocery store; 75 on-site parking spaces; office; and 104 residential condominium

Due Diligence Period is 60 days from Effective date; Project Time Frame; Construction to begin 12 months after closing (closing to occur on or before 90 days after City Commission contract approval); Buyer agrees to claw-back in the event a building permit is not issued 24 months following closing.

Reverter language covers development agreement timing, issuance of building permits timing, and completion of construction timing.

Affordable Housing Program Framework

AMJ is currently coordinating with several City departments (CAPER, HCD, and GCRA) to develop an affordable housing program with various subsidy levels. OEI will need to validate the subsidy levels with a demographic analysis of the City's income earning households. Below is the proposed framework relating to the affordability of the residential condominiums:

Condominiums will maintain affordability for 15 - 30 years (subject to final negotiation of the development agreement) after first sale and all resale(s) thereafter until time frame is finished.

Units which have received funds from the set-aside as part of the sale of Lot 10, will be required to sell to a person(s) at one of the AMI level(s) determined by the City as part of the affordable for sale housing program.

If a unit is not sold to another buyer at one of the AMI levels, per above, the person(s) receiving assistance from the City affordable for sale housing assistance program will be required to pay back those funds.

A third party will be selected during project development to work on behalf of the program goals stated above.

The developer will ensure that the Condominium Association contracts with, or continues with, the selected firm.

The selected firm will work with the Condominium Association to ensure that all units subsidized with City of Gainesville funding adhere to the guidelines.

The above will be incorporated in the development agreement.

An appraisal of City Parking Lot #10 in December, 2020 indicates an estimated market value of \$2,975,000. The AMJ Group proposal offers \$2,045,000 with the following uses of funds from sale: \$350,000 site improvements and, \$1,000,000 for on-site affordable housing units.

Strategic Connection

This item is connected to Goal 4: A Resilient Local Economy

The City Commission approve the Lot #10 contract for sale and purchase and authorize the City Manager to

execute the Contract for Sale and Purchase regarding City Parking Lot #10 and all related documents subject to approval of form by the City Attorney.