



Legislation Text

File #: 180227., Version: 1

City Parking Lot # 10 - Contract Status (B)

This item involves a request for direction from the City Commission 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.

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

- 1) Purchase price of \$2,340,000 (the latest market appraisal)
- 2) Due diligence period is 120 days of contract execution, all deposits are not refundable.
- 3) Parking to be procured by developer relative to SW Parking Garage
- 4) Development of 120-140 room full service hotel with 2 restaurants and meeting space
- 5) City provides environmental indemnity and funds in escrow for potential remediation of previously undisclosed environmental condition

Unresolved Issues

1) *Issue* - City remediation to provide a clean site. *Contract Purchaser* - Escrow to 40% of Purchase Price or \$936,000 as reimbursement if contamination issue arises. *Staff Recommendation* - Provide indemnity and escrow to 10% of Purchase Price or \$234,000 as reimbursement if contamination issue arises. *Position Statement* - Indemnity and escrow provide tools that be utilized if contamination issues arise that are over and above that which has been disclosed by numerous reports, design plans, and documents on file with various public institutions.

2) *Issue* - Participate in Storm water Management Solution. *Contract Purchaser* - Guarantee storm water capacity for the project. *Staff Recommendation* - Do not participate in provision of storm water capacity.

Position Statement - The City does not normally participate in private storm water improvements in this manner.

3) *Issue* - Participate in Utility Connection Fees . *Contract Purchaser* - City will pay for making utility connections. *Staff Recommendation* - Do not participate in making utility connections. *Position Statement* - Utilities are available to the site based upon a preliminary analysis however connection fees are not normally provided by the City and are required of the private developer.

4) *Issue* - Relocate existing RTS Bus Stop. *Contract Purchaser* - Remove bus shelter on 2nd Avenue. *Staff Recommendation* - Review feasibility of moving bus stop. *Position Statement* - This bus stop is important to Later Gator service and its location was based upon GPD recommendation.

Staff seeks City Commission input on these remaining unresolved issues in order to conclude contract negotiations.

The total cost to construct this project is reported as \$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) provide appropriate direction.