



Legislation Text

File #: 190364., **Version:** 2

802 NW 5th Ave Commercial Building (B)

This item is for the adoption of a Resolution, finding and declaring City owned parcels 13809-001-000 and 13807-000-000 as surplus and approving and authorizing the disposition of these City owned parcels to Real Estate Acquisition for Children, LLC.

The CRA's offices are currently located on the second floor of the 802 NW 5th Avenue Commercial Building in the Fifth Avenue Neighborhood (Tax Parcel # 13809-001-000). Prior to that the CRA offices were leased in the Commerce Building located in the Downtown Redevelopment Area adjacent to City Hall. In November 2009, the CRA Board approved 802 NW Ave as the site for a new CRA-owned mixed-used office building. The approval of the site was contingent on the resolution of parking availability at the adjacent City-owned lot located at 804 NW 5th Avenue (Tax Parcel # 13807-000-000). The facility was designed by DAG Architects and built by PPI/CPC Construction.

This site is located directly across the street from Duncan Brother Funeral Home at the intersection of NW 5th Ave and NW 8th Street. It is the former site of St. Paul CME Church. The lot is approximately .14 acres and is currently zoned MU-1 (mixed use low intensity). The site offers easy access from three sides for construction and has a City-owned parking lot adjacent to the building.

Construction costs to build the LEED Silver Mixed-use Building totaled \$893,750 and were allocated between the 2nd floor office (funded by all CRA Trust Funds) and 1st floor retail/commercial space (funded through debt and repaid by Fifth Avenue/Pleasant Street Trust Fund only, based on square footage, which is 62% office and 38% retail. In December 2009 a promissory note was entered into with Sunstate Federal Credit Union for construction of the office building to be repaid from tax increment proceeds.

The 802 NW 5th Avenue Commercial Building has been a home for the CRA Team since 2010 and during our time there the Team has executed a successful streetscape project along NW 5th Avenue through Pleasant Street and 5th Avenue. It's also sought to advocate for the Seminary Lane Redevelopment and has built or renovated eight single-family urban infill homes in the District. Current work plan focuses include completion of the Fifth Avenue/Pleasant Street Heritage Trail which runs through both neighborhoods and a final Model Block Project in Pleasant Street.

As part of the CRA's transition to a City Department, effective October 2, 2019 the Board has recommended a relocation of CRA Staff to the GTEC Building on Hawthorne Road in its Eastside District. Sale of the 802 NW 5th Avenue Commercial Building would return the facility completely to the City and County Tax Rolls to contribute to the overall incremental growth in this well-situated District.

The 802 NW 5th Avenue Commercial Building will be deeded over to the City of Gainesville as part of the transition from CRA to the Gainesville Community Reinvestment Area department effective October 1, 2019.

At the September 16, 2019 CRA Board meeting the CRA Team and its consultant Avison Young, highlighted the offer for purchase and sale of the building located at 802 NW 5th Avenue and the adjacent lot in the amount

of \$690,000. The CRA Board passed the following motion and recommended to “Allow organization to purchase the CRA building and bring back to the Commission meeting in October.” The City Commission will need to make the final decision as both properties are now City-owned per the CRA transition to City Department, effective October 1, 2019.

The CRA pays \$2,167.92 every month through January 1, 2025 with a balloon payment due February 1, 2025 in the amount of \$267,749.64. Proceeds from a sale will pay off the note and the balance of the proceeds will be returned into the Fifth Avenue/Pleasant Street Redevelopment Area Trust Fund.

The note is attached to the first floor of the 802 NW 5th Avenue Commercial Building which was a leasable space. The second floor was funded by all four redevelopment areas respectively, according to their pro-rata share, to fund the construction of the 2nd floor CRA office space.

Recommended Motion: The City Commission: 1) Adopt a Resolution, finding and declaring City owned parcels 13809-001-000 and 13807-000-000 as surplus; 2) Approve the sale of tax parcels 13809-001-000 and 13807-000-000 to Real Estate Acquisition for Children, LLC as outlined in the Commercial Contract; and 3) Authorize the Mayor to execute, and the Clerk to attest all necessary disposition and sale documents once approved by the City Attorney’s office as to form and legality.