
AGENDA
Fifth Avenue Pleasant Street Redevelopment Advisory Board
Tuesday, July 5, 2011
5:30 pm

CRA Office
802 NW 5th Avenue, Gainesville, FL 32601

A. ROLL CALL

B. ADOPTION OF THE AGENDA

C. APPROVAL OF THE MINUTES – Minutes from June 7, 2011

D. REQUEST TO ADDRESS THE BOARD

E. COMMUNICATIONS

1. Chair's Report
2. CRA Staff Update

Legacy Project – The capital campaign is underway and is receiving donations. CRA staff is conducting an outreach initiative with the Lincoln High School Alumni Association on April 21st during which the capital campaign materials will be unveiled. Staff is also working on the Legacy Project webpage to promote the project and accelerate the capital campaign. Staff continues to work toward identifying locations for the 1019 house.

Façade Program – The Façade Grant Program is currently open and staff is accepting and reviewing applications.

NW 5th Ave Commercial Building 802 NW 5th Ave – Construction is complete on the commercial building, CRA staff has relocated its office to the second floor suite. The first floor suite is currently for lease, please contact Rick Cain (352-281-9393) of Bosshardt Realty for any inquiries.

Economic Development Finance—The Grow Gainesville Fund and CAP loan programs have been established and staff continues to research and develop several other economic development finance program to support local business development.

FAPS Sidewalks – Feasibility, Analysis, Design, & construction of sidewalks

Neighborhood Spruce Up Program Feasibility & Development – Development of a program aimed to help owner occupied residences within the Fifth Avenue Pleasant Street Redevelopment Area.

6th Street Corridor – Staff is coordinating with the City's Public Works Department on their capital improvement project to address the 6th Street Corridor and Rail Trail. More information forthcoming.

NW 13th Street Streetscape Improvements Phase III – This project is part of the adopted FAPS 3-Year Redevelopment Road Map for FY 2012-2014. The CRA is planning streetscape improvements from NW 3rd Avenue to NW 7th Avenue consisting of brick sidewalks, pedestrian lighting, utility work and street trees similar to the proposed Phase I improvements on SW 13th Street. The CRA will coordinate with CPUH on improving the sections of NW 13th Street within this area's boundary. Staff anticipates that design will begin once project funding is approved through the FY 2012 budget process.

F. OLD BUSINESS

1. **Model Block Project – Fifth Avenue (NB)**

..Explanation

The Model Block Project (MBP) was conceived to help address the issue of vacant and abandoned properties in the Fifth Avenue Pleasant Street Redevelopment Area. Since 2003, the CRA has acquired ten properties, including both vacant lots and houses to rehab. To date, three houses have been rehabilitated and sold, and three new construction homes have been built. There are four properties remaining to be completed: three for new construction (Fifth Avenue neighborhood) and one for historic rehabilitation (Pleasant Street).

DAG architects presented home designs for three Fifth Avenue Model Block parcels to staff. DAG designed a 3 bedroom 2 bath home at 725 NW 4th Avenue approximately 1254 Sq/Ft H/C, a 3 bedroom 2 bath home at 403 NW 8th Street approximately 1320 Sq/Ft H/C, and a another 3 bedroom 2 bath home design for 321 NW 7th Terrace 1320 Sq/Ft H/C. The CRA approved the designs during the June 2010 board meeting.

Oelrich Construction, submitted a final GMP of \$291,116 for the construction of 321 NW 7th Terrace and 403 NW 8th Street which was approved by the CRA Board in November 2010. After additional market research staff determined the GMP was not the most cost effective way to develop quality market value homes in the neighborhood. Staff has redirected its focus on a issuing a public solicitation via Invitation to Bid on the construction of three new Model Block Homes, the City's Purchasing department will supervise the solicitation process. It is staffs hopes that by bidding the construction on the open market we will receive a more competitive construction price.

Additionally CRA staff reached out to the City's Finance department and reached an agreement (contingent on CRA approval) on securing financing for the construction of the 3 new homes. The CRA Model Block homes line of credit summary is:

- 1. A memorandum of understanding (MOU) will be issued and signed between the City and CRA.*
- 2. The MOU will be set up as a line of credit to be drawn upon for only the construction costs of the model block homes.*
- 3. Interest rate will be between 3% and 4% and will be determined at the time of the MOU.*
- 4. Interest will be calculated and paid monthly on all outstanding balances.*
- 5. When contractor submits a draw request, (usually using Form AIA) the City will pay contractor and amount will be added to the line of credit.*
- 6. Full payment will be due when house closes along with any accrued interest.*

.. Fiscal Note

403 NW 8th Street has \$35,072 available in account 613-W534-W63, 321 NW 7th Terrace has \$33,822 available in account 613-W535-W64; 725 NW 4th Avenue has \$34,938 available in account 613-W533-W62. The remainder of the funds will be secured through a line of credit from the City's Finance Department.

.. Recommendation

CRA Staff to FAPS Redevelopment Advisory Board: Hear update

2. Model Block Project – 419 NW 4th Ave Update – (B)

..Explanation

The Model Block Project (MBP) was conceived to help address the issue of vacant and abandoned properties in the Fifth Avenue Pleasant Street Redevelopment Area. Since 2003, the CRA has acquired ten properties, including both vacant lots and houses for rehabilitation. To date, three (3) houses have been rehabilitated and sold, and three (3) new construction homes have been built. There are four (4) properties remaining to be completed: three (3) for new construction (Fifth Ave neighborhood) and one for historic rehabilitation (Pleasant Street).

Staff received an inquiry regarding the house located at 419 NW 4th Avenue; the home, which is within the Pleasant Street neighborhood, was purchased by the CRA in 2003 to contribute to the model block program. Staff researched the possibility of disposing the home due to its condition and the outlay of funding it will take to rehabilitate the home in accordance with the Historic Preservation Rehabilitation & Design Guidelines. In March 2011 the CRA Board approved to offer 419 NW 4th Avenue for sale in accordance with

CRA statute. A request for proposals was issued in April 2011. One response was received and it was deemed non responsive, a second solicitation was issued in May 2011:

Proposal Requirements

Interested parties should provide proposals (not to exceed four pages) that include:

- Proof of a certified general contractor license
- Statement of willingness to purchase the home and enter into an agreement with the CRA that ensures the buyer will perform the rehabilitation in accordance with the City of Gainesville's Historic Preservation Rehabilitation & Design Guidelines
- Proposals should include a proposed sales price
- A succinct plan for the rehabilitation project that includes a proposed schedule (Certificate of Occupancy must be obtained within one year of sale and purchase)

Additionally the selected respondent shall be required to execute a Façade Preservation Easement in the form required by the CRA, in order to certify the Owner maintains the home in good condition and without material change for a period of 5 years.

CRA staff received 2 proposal(s) for the purchase and rehabilitation of 419 NW 4th Avenue. CRA staff has evaluated the proposal(s) and recommends the FAPS Board rank the proposals in the following order: 1) Kurt Strauss, Revolve Homes, 2) Abraham Wilcox, Dendera Corp.

..Fiscal Note
None

.. Recommendation
CRA Staff to FAPS Redevelopment Advisory Board: Approve the ranking of the respondents to the 419 NW 4th Avenue solicitation

G. NEW BUSINESS

1. FY2012 Budget Preparation – FAPS (B)

..Explanation

Every September, the CRA Board adopts a budget for the next Fiscal Year. In preparation for budget adoption, each Advisory Board reviews a proposed budget and provides a recommendation to the CRA Executive Director that is then recommended to the CRA Board.

The budget is divided into five (5) general sections: 1) Revenues 2) Personal Services 3) Operating Expenses 4) Non-operating Expenses and 5) Project Funding. Below are highlights from each section of the proposed FY2012 Budget for the Fifth Avenue Pleasant Street Redevelopment Area (FAPS):

1) Revenues

For FY2012, Tax Increment funding is reduced by 3% across all districts. Funding for the FAPS Redevelopment Area is estimated to be **\$539,194**. FY2012 final estimates by district will be available mid-July and the revenues will change based on these final estimates.

2) Personal Services Expenses

CRA staff provides shared-support across all CRA redevelopment areas in the functional areas of planning, project management, engineering, development finance and budgeting. A portion of each staff person's salary and benefits (i.e. Personal Services) is allocated to FAPS. For FY2012, 8% of Personal Services will be allocated to FAPS, with the exception of the CPUH Project Manager position; which is funded 100% by CPUH, the Project Coordinator for ERAB/FAPS and Project Coordinator Neighborhood Planning, which are allocated at 45% and 10% respectively because of the specific support provided by these positions.

The FAPS portion of the total proposed FY2012 payroll expense is **\$90,309**, which includes CRA staff and a portion of the City Attorney and City Clerk's support.

3) Operating Expenses

The FAPS portion of the total proposed FY2012 operating expense is **\$25,283**. Operating Expenses cover general overhead expenses that are required to operate the CRA, including but not limited to travel, training, telephone, office supplies and an overhead allocation from the City for shared support (HR, Payroll, Accounting, etc.).

The Payroll and Operating Expenses to Tax Increment ratio is 21.44%. This is a measure of how much Tax Increment funding is used for overhead and is below the self-imposed 25% threshold.

4) Non-Operating Expenses (Debt Service, Obligations to City of Gainesville and Tax Increment Financing)

Obligations to the City for payments on loans include Pleasant Street Model Block Note (\$52,161) and the 5th Avenue Commercial Building Note (\$26,015). Transfers to the General Government fund in the amounts of \$1,762 and \$955 for the Other Post Employment Benefit Bond (OPEB) and Pension Obligation Bond (POB) respectively, is also included. The FAPS total for Non-operating Expenses is **\$80,893**.

TIF incentive payments for University House (\$134,190) are also budgeted. The FAPS total for CRA TIF Development Agreements is **\$134,190**.

5) Project Funding

After payroll, operating expenses and debt service, there is **\$208,519** available to appropriate for projects. See back-up for funding by project and a description of each project.

..Recommendation

CRA Staff to FAPS Redevelopment Advisory Board: 1) Hear budget presentation from staff; 2) provide input; and 3) approve FY2012 Budget as presented and modified, if applicable.

H. REPORT OF OFFICERS AND COMMITTEES

I. BOARD MEMBER COMMENT

J. PUBLIC COMMENT

K. ADJOURNMENT