



CITY OF TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY

Meeting Agenda

June 26, 2014, 9:30 AM
City Commission Chambers
City Hall, Second Floor

- I. **CALL TO ORDER**
9:30 AM
- II. **PUBLIC COMMENTS ON AGENDA ITEMS**
- III. **PRESENTATIONS**
None
- IV. **CONSENT ITEMS**
 - 3.01 Approval of CRA Summary Meeting Minutes from April 24, 2014 – Rick McCraw, CRA Program Director
- V. **POLICY FORMATION AND DIRECTION**
 - 4.01 Authorize CRA to Negotiate and Execute an Exchange Agreement with FSU for the Sale of the Former O’Connell Property (402 W Gaines Street) – Roxanne Manning, CRA Executive Director
 - 4.02 Authorize CRA to Negotiate and Execute Parking Management and Parking Space Lease Agreements of CRA-Owned Public Parking Spaces in Deck and Block Developments on Gaines Street – Rick McCraw
 - 4.03 Program and Project Updates – Roxanne Manning
- VI. **UNAGENDAED PUBLIC COMMENTS**
- VII. **UNAGENDAED ITEMS/COMMISSIONER DISCUSSION**



Agenda Item Details

Meeting	Jun 26, 2014 - CRA Board Meeting
Category	3. Consent Items
Subject	3.01 Approval of CRA Summary Meeting Minutes from April 24, 2014 -- Roxanne Manning, Tallahassee Community Redevelopment Agency
Access	Public
Type	Action (Consent)
Fiscal Impact	No
Recommended Action	Option 1 - Approve the draft summary minutes from the April 24, 2014 CRA Board meeting.

Public Content

For more information, please contact: Stacey Peter, Tallahassee CRA, 850-891-8357

Statement of Issue

Attached for review and approval by the CRA Board are the draft summary minutes from the April 24, 2014 CRA Board meeting.

Recommended Action

Option 1 - Approve the draft summary minutes from the April 24, 2014 CRA Board meeting.

Fiscal Impact

None

Supplemental Material/Issue Analysis

History/Facts & Issues

Attached for review and approval by the CRA Board are the draft summary minutes from the April 24, 2014 CRA Board meeting.

Options

1. Approve the draft summary minutes from the April 24, 2014 CRA Board meeting.
2. Do not approve the draft summary minutes from the Approve the draft summary minutes from the April 24, 2014 CRA Board meeting; provide staff with alternate direction.

Attachments/References

1. Draft Tallahassee Community Redevelopment Agency Board Meeting Minutes, April 24, 2014

[Draft CRA Board Meeting Minutes 4_24_2014.pdf \(751 KB\)](#)

Administrative Content

Draft MINUTES

TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY BOARD MEETING

Tallahassee, Florida
April 24, 2014

The Tallahassee Community Redevelopment Agency (CRA) Board met on April 24, 2014, in the Commission Chambers in City Hall with Mayor Marks (CRA Chair), City Commissioners Gillum, S. Maddox, Miller and Ziffer and County Commissioners Dozier (CRA Vice-Chair), Lindley and Proctor present at the start of the meeting. Also present were Executive Director Roxanne Manning, CRA Program Director Rick McCraw and CRA Senior Community Redevelopment Planner Sherri Baker. Commissioner N. Maddox was absent.

Mayor Marks, CRA Chair called the meeting to order at 9:38 a.m.

PUBLIC COMMENTS ON AGENDA ITEMS

Dr. David Jackson, 8133 Blenheim Ln, Chairman for the John G. Riley Museum, addressed the board concerning agenda **Item 5.03**. He thanked the CRA for the public-private support of Cascades Park. He gave an overview of potential awards for which the Smokey Hollow project within Cascade Park has been nominated. He stated the Riley House has many challenges for funding and hopes the CRA considers the Riley House for future funding opportunities.

Ms. Patsy Eccles, 2942 Golden Eagle Dr. East, former John G. Riley Foundation Board member and current volunteer advisor, addressed the board concerning agenda **Item 5.03**. She noted her work with Althemese Barnes to create the African American heritage preservation network, a statewide network of African American museums throughout. She gave an overview of the focus of the John G. Riley Museum as the network headquarters for conferences, and noted the museum as an economic tool for the city.

Mr. Jeffrey Mandel, 1641 Lake Ella Dr, addressed the board concerning agenda **Item 5.03**, and spoke against the proposal to divert funding from the proposed performing arts center. He stated that many community theater companies no longer exist because they do not have permanent venues for their performances, with an exception being Theatre Tallahassee. He stated a performing arts center would draw people from many areas and help create a performance-based identity for Tallahassee. He also stated it would benefit the area financially, culturally and in other ways, and hopes the CRA Board will continue to provide funds for a performing arts center.

Mayor Marks questioned how the amphitheater at Cascade Park fits into the establishment of performance venues.

Mr. Mandel responded that the amphitheater has tremendous future potential for outdoor performances, but Florida's climate does limit performances during some seasons.

Commissioner Miller noted the benefits of a permanent space with dedicated storage and support areas.

Mr. Mandel agreed and responded that without a permanent space, companies are working within the limitations of rented space, which reduces the quality of the performance.

Mr. Bob Inzer, 613 Forest Lair, as Chairman of the Performing Arts Center, addressed the board concerning agenda **Item 5.03**. He noted his support of continued funding for the Performing Arts Center, and referenced a letter sent to Board during the prior week regarding the importance of continued funding for the performing arts center. He highlighted a few of the major points of performing arts centers from the letter.

- Any major city that Tallahassee would like to emulate has a performing arts center.
- A core piece of infrastructure.
- Tallahassee is one of the most educated and culturally rich cities in Florida.
- Draws retirees with discretionary money and time looking for things to do.
- Attraction for Downtown patronage and economic stimulus for Tallahassee.

Noting the recent actions by Leon County to eventually remove funding for the performing arts center, Mr. Inzer requested the preservation of the penny tax for a future performing arts center, and asked the Board to provide the visionary leadership on this issue.

Mayor Marks questioned the viability of raising the Bed Tax by one or two cents, with the support of the Legislature, to ensure funds are available for a performing arts center.

Mr. Inzer noted the performing arts center would be a public facility designed to meet community needs. He has received various letters of support for the center, and suggested all funding opportunities are welcome.

Commissioner Gillum questioned if an updated model for funding a performing arts center has been developed.

Mr. Inzer stated they are looking at different models and locations for the performing arts center. This includes long-term funding through public-private partnerships and, perhaps, future state funding. The Center is also interested in exploring opportunities to participate in the Arena District development. In response to a question from Commissioner Gillum, Mr. Inzer noted that he believed the original concept for the use of the funds collected by the additional Bed Tax fee was to support a single performing arts center and not a variety of performing arts centers.

Mr. Robert Kenon, 630 West Brevard St, addressed the board concerning agenda **Item 5.02**, indicated he is not against the O'Connell Property land swap but has concerns about the deal. His concerns consist of how the sale and land transfer of the properties relates to the redevelopment plan, the actual cost of the land swap including contamination issues of the properties involved, and the need for the CRA to be in the middle of what should be a private development. He questioned the benefit of the sale and project to the Frenchtown/Southside district, the lack of data supporting the creation of projected new jobs, and the impact the project will have in promoting gentrification in the Frenchtown/Southside community. He noted that he thought the Citizens' Advisory Committee was looking for more information on the project before making a recommendation. He suggested the Board follow up on some of these issues before making decision.

Mayor Marks and Commissioner Miller questioned the contamination issues of the O'Connell property.

Commissioner Gillum and Roxanne Manning explained that there are varying levels of contamination on most properties off Gaines Street including the Bloxham Annex and Firestone buildings. Ms. Manning stated Phase I and Phase II environmental assessments were completed and minor contamination issues were found.

CONSENT ITEMS

There are no consent items.

POLICY FORMATION AND DIRECTION

Approval of Modifications to Approved Purchase Agreement with Nueva Esperanza, LLC Properties and Lease Agreement with Renaissance Community Center and The Tallahassee Leon Shelter, Inc.

Item 5.01 presented by Michael Parker, Director of Economic and Community Development, was the request to approve modifications to the approved purchase agreement with Nueva Esperanza, LLC Properties and Lease Agreement with Renaissance Community Center and The Tallahassee Leon Shelter, Inc.

Back in November, the CRA Board authorized the acquisition of The Tallahassee Leon Shelter Inc. properties and the Renaissance Community Center properties (RCC, owned by Nueva Esperanza LLC). The sale funds will be used by the entities to build a comprehensive human services center on Pensacola Street and to relocate the current Shelter to the new center. Mr. Parker noted that a title issue was found on one of the RCC parcels. After a review of the issue staff is recommending a reduction in the purchase price for the RCC properties from \$950,000 to \$940,000. This discount reflects the effort which the CRA will have to expend to remedy the title issue. In November, the Board also authorized CRA staff to enter into a one year lease agreement with both agencies to allow them to remain in their current properties for a payment of \$10 a year. The Agencies have requested that the lease agreement provide a clause which would allow them to remain in their current location for longer than one year in the event the new facility is not ready for occupancy within the one year time frame. Staff recommends the leases provide that, if after the initial 12 month period the certificate of occupancy (CO) has not been issued for the new comprehensive emergency services center, the lease term could be extended for an additional six months or 60 days after the CO has been issued, whichever occurs first. Under this arrangement the maximum term of the lease would be 18 months. Based on the current construction schedule the comprehensive emergency services center is expected to be completed by February of 2015.

Commissioner Lindley **moved to approve options 1 and 2 to approve a purchase agreement with Nueva Esperanza, LLC for the acquisition of 457, 465, and 447 W. Virginia St. for \$940,000 and for the payment of closing fees associated with the acquisitions and authorize staff to enter into a lease agreement with the Tallahassee Leon Shelter, Inc. and Renaissance Community Center allowing the CRA to lease the properties back to both**

entities for up to 18 months for a lease payment of \$10. The motion was seconded by Commissioner Gillum.

In questions that followed the motion, Commissioner Gillum questioned if the Shelter Advisory group was still meeting.

In response to Commissioner Gillum's question, Commissioner Ziffer responded the meetings usually occur monthly to update staff and the extension is to ensure safeguards for the upcoming move.

Commissioner Proctor inquired about the impact the use of funds to purchase The Shelter and RCC would have funding the Frenchtown Farmer's Market. He also questioned the role of the CRA in the relocation of The Shelter and the negative impact on the relocation may have on the Dick Howser Center for Childhood Services and nearby properties, and if there is a liability of compensation to private citizens near the new location.

Roxanne Manning indicated discussions about the marketplace are still occurring and will be addressed in the next agenda item.

A discussion ensued in response to Commissioner Proctor's question indicating the CRA's role in The Shelter and Renaissance Community Center relocation. The CRA is purchasing The Shelter and RCC properties, but is not participating in the move to the new service center. The relocation of these services benefits the Frenchtown community. There have been community meetings regarding The Shelter (and RCC) relocation, but that it is not within either of the two redevelopment districts, and the CRA has no discretionary action at the location.

Upon completion of the discussion, a vote was made on the motion **to approve options 1 and 2 to approve a purchase agreement with Nueva Esperanza, LLC for the acquisition of 457, 465, and 447 W. Virginia St. for \$940,000 and for the payment of closing fees associated with the acquisitions and authorize staff to enter into a lease agreement with the Tallahassee Leon Shelter, Inc. and Renaissance Community Center allowing the CRA to lease the properties back to both entities for up to 18 months for a lease payment of \$10. The vote was as follows:**

AYE: Dozier, Gillum, Lindley, S. Maddox, Marks, Miller, Proctor and Ziffer

NAY: None

ABSENT: N. Maddox

Update on Proposed CRA-FSU O'Connell Site Property Sale and Land Exchange

Item 5.02 introduced by Roxanne Manning, Executive Director, was an update on the anticipated FSU offer for the O'Connell property and request to notice the proposed sale of the O'Connell property consistent with the Chapter 163.380(3)(a), Florida Statutes.

Roxanne Manning introduced Commissioner Gillum for presentation of the agenda item. She explained that any proceeds from the sales for the O'Connell property and eventual sales of the FSU transferred properties will be provided to the Greater Frenchtown/Southside (GFS) Community Redevelopment Area for reinvestment in other district projects and/or programs. A major advantage of the proposal is that it will provide the GFS district with access to needed cash that could be used to support the Frenchtown Farmer's Marketplace and other projects identified in the investment plan.

Commissioner Gillum presented an overview of the agenda item. He informed the Board that about a year ago FSU approached the CRA and expressed an interest in exploring the possibility of purchasing the former O'Connell site, which is a vacant 5.3 acre parcel, from the CRA for a combination of cash and the exchange of land along Gaines Street that is owned by FSU near Cascade Park. There is a great opportunity for redevelopment at both locations. The O'Connell site is valued at about \$5.8 million and the FSU properties (Firestone Building and Bloxham Annex) are valued at about \$4.8 million. In order to close the gap between the values of the properties, FSU included 715 Gaines Street, valued at \$770,000, and an additional cash settlement of approximately \$960,000. FSU's School of Social Work is currently at 715 Gaines Street and as part of the deal may need up to a year to relocate. The initial cash settlement and eventual sale of the transferred properties will default back to the GFS district, and may be used to help fund a number of projects and/or programs, including the proposed Frenchtown Farmer's Market. Commissioner Gillum noted the private sector has shown interest in purchasing the Firestone Building and Bloxham Annex for redevelopment, once acquired by the CRA, but specific discussions with potential developers have not occurred.

Commissioner Gillum advised the Board that FSU is interested in possibly moving the College of Business to the O'Connell site, as part of the Arena District discussion. While that development will be welcomed and an FSU decision, there is also desire on the part of the City to see FSU continue with the theme of Gaines Street and develop active retail uses fronting Gaines Street and engaging the public. The potential redevelopment of the Firestone and Bloxham Annex properties will also present unique opportunities to bring new development to this part of Cascade Park.

Commissioner Gillum also wanted to provide acknowledgement to Dr. Eric Barron, Mr. David Coburn, Dr. Garnett Stokes, Anita Favors Thompson, Mr. Will Butler, CRA staff, the City's real estate offices, and FSU for their collaboration in working to get this land swap completed.

The Board thanked Commissioner Gillum for his leadership and commitment to the land sale proposal.

Commissioner Dozier expressed her excitement for this opportunity and the potential it has for development with the GFS district, noting the influx of cash will benefit future projects such as the farmer's market. She also inquired about the timeline of the land swap deal.

In closing her comments, Commission Dozier **moved to approve Option 1 to authorize CRA staff to notice the proposed sale of the O'Connell property consistent with the Chapter 163.380(3)(a)**. The motion was seconded by Commissioner Lindley.

Roxanne Manning explained that the real estate exchange would be completed in September. Upon the transfer CRA staff will, in coordination with city departments, identify

issues associated with the properties and develop a Request for Proposal to seek qualified parties interested in redeveloping the property consistent with the CRA developed vision.

As a follow on, Commissioner Gillum stated the importance of keeping the vision for the Cascade Park area in order to determine the best redevelopment potential of the Firestone Building and Bloxham Annex.

Commissioner Lindley stated her support, noting the proposal provides for the exchange of assets with the great potential for redevelopment, and is not a giveaway.

Commissioner S. Maddox thanked the universities for their partnership in working with the community on various projects, including the O'Connell offer, the planned redevelopment of the civic center, and the Mary Brogan Center. He also acknowledged the efforts of Commission Gillum in making this proposal a reality and indicated he would vote in support of the motion.

Commissioner Proctor also noted the accomplishments of Commission Proctor in negotiating the proposal. He observed the project would add great value to Cascade Park and that he hoped to see affordable housing opportunities by the park.

Commissioner Miller expressed her support for the proposal, and for developing a visioning on the properties that would be compatible with Cascade Park.

Commissioner Ziffer stated how far the City of Tallahassee has come in five years when Gaines Street and Cascades Park were considerably less desirable for redevelopment as compared to with the current escalating values and increased real estate transactions. He also stated the need to include the City-owned Waterworks Building as part of preparing the redevelopment vision for the Firestone and Bloxham Annex properties.

Mayor Marks noted the previous attempts to redevelop the O'Connell site, and that he appreciated the FSU plans to incorporate a convention hotel into the development of the Arena District. He also stated although the Frenchtown Farmer's Market is in its infancy stage there is great potential for further development. He informed the Board that he and Commissioner Dozier named Mr. Jim Bellamy as honorary mayor of the Frenchtown Marketplace when they attended the event on Saturday, April 18, 2014.

Commissioner Proctor suggested the Board consider the Firestone and/or Bloxham Annex as a possible location for a performing arts center.

In closing, Commissioner Gillum noted the strong and continued support of the other Board members in the overall evaluation and proposal process.

Following the discussions, a vote was made on the motion **to approve Option 1 and authorize CRA staff to notice the proposed sale of the O'Connell property consistent with the Chapter 163.380(3)(a). The vote was as follows:**

AYE: Dozier, Gillum, Lindley, S. Maddox, Marks, Miller, Proctor and Ziffer

NAY: None

ABSENT: N. Maddox

Discussion and Direction Regarding Utilization of CRA Performing Arts Center Tourist Development Tax Funds

Item 5.03 presented by Roxanne Manning, Executive Director, was the request to provide direction to CRA staff on a recent County Commission proposal regarding the use of (1) the existing \$4.1 million Performing Arts Center Bed Tax balance, (2) the annual recurring one-cent PAC Bed Tax dedicated to a performing arts center in the Downtown district, (3) the \$508,425 in PAC Bed Tax funds utilized by the City for the demolition of the Johns Building and (4) developing a process or program to utilize the existing PAC Bed Tax dollars.

In her introduction, Roxanne Manning explained that in 2004, the City, County and CRA adopted an interlocal agreement which established the Downtown District Community Redevelopment Area (Downtown District), which also set aside one cent of Tourist Development Tax funds (also referred to as the Bed Tax funds) for the construction and operation of a performing arts center (PAC) within the Downtown District. Unfortunately the development of the PAC has not occurred, and the option to purchase the property for the PAC has expired.

Roxanne noted that staff is seeking direction under Option 1 of Item 5.03 on the use of (1) the existing \$4.1 million PAC Bed Tax balance, (2) the annual recurring one-cent PAC Bed Tax currently dedicated to a performing arts center, (3) the \$508,425 in PAC Bed Tax funds utilized by the City for the demolition of the Johns Building for use on the amphitheater and Meridian Pointe and (4) direction on how to develop a process or program in which the CRA would evaluate opportunities to utilize the existing fund balance, subject to City and County approval, currently dedicated to a performing arts center(s) .

Commissioner Proctor recommended putting the agenda item on hold until the negotiations with FSU on the Firestone Building and Bloxham Annex are completed. He commented that the proposed land sale and transfers creates an opportunity to evaluate these properties as a performing arts center, creating a performing arts district. With some additional thought, the \$4.1 million could create something special at Cascade Park.

Commissioner Miller supports Commissioner Proctor's position and expressed the need for further discussion on how the \$4.1 million should be spent. She observed that this has been part of a longer conversation with the County but it is a new consideration for the City. As an example, she noted the need for a back stage at the amphitheater to support performances there. She preferred not to decide today how to use the funds, except to confirm funding stays within the CRA. She would like staff to bring alternatives to the Board for further consideration. A process is needed to better define the PAC concept and what the community would support.

Commissioner Dozier addressed the concern of funding being used for both the larger scale PAC as well as performing arts centers. She noted the concerns of redirecting the half cent or one cent permanently to operations for another facility, preventing the return of the funding to the PAC. Commissioner Dozier believes the PAC funding discussions can continue through the TDC board. Following her comments, Commissioner Dozier **moved option 1 to provide staff direction on (a) the use of the existing \$4.1 million PAC Bed Tax (b) the use**

and commitment of future Tourist Development Tax revenues, (c) using the \$508,000 for improvements to the amphitheater and Meridian Point Building and (d) develop a process to utilize the \$4.1 million. She also suggested expanding (d) to clarify that the funds could be used for projects within the Madison Mile/Arena District and Firestone Building/Cascade Park first, and then direct staff to establish an open grant evaluation process for requests from non-profits if the Board wishes to fund those requests. Commissioner Proctor seconded the motion. Commissioner Dozier noted her support for a joint city/county workshop to discuss the larger use of the one-cent Bed Tax funds set aside for the PAC, and that no decision should be made on the use of the one-cent Bed Tax funds until after a joint workshop.

Commissioner Gillum stated the need for a broader conversation on performing arts centers and the range of options to consider. He agreed this was an opportunity to be visionary with the use of the funds, but expressed concerned that option 1 would discontinue funding for whatever the Board might envision. He commented that there is no need to rush this decision. **Commissioner Gillum provided an alternative motion to option 1 (a) requesting to leave the \$4.1 million intact and not discontinue one-cent in Bed Tax funding, (b) authorize the expenditure of \$508,000 for amphitheater and Meridian Point Building and (c) schedule a joint city-county meeting for discussion on performing arts spaces. Commissioner Ziffer seconded the motion.**

Commissioner Ziffer requested the Greater Frenchtown/Southside Community Redevelopment Area be included in the discussion on the use of the Bed Tax funds during the joint city-county meeting. Commissioner Ziffer requested that staff provide alternatives for Board discussion at the joint city-county meeting.

A discussion between the Board members ensued regarding the need for further input on the \$4.1 million PAC bed tax to determine the use of the funding and what processes and programs are needed to ensure it is fairly distributed. Several Board members felt the funding should remain exclusively for the PAC and some members suggested utilizing the money for the biggest potential now and discuss ongoing dedication of the future Bed Tax dollars in a later conversation. Discussion on these items also provided an opportunity to highlight promoting the cultural plan as guidance for use of funding. Several Board members expressed discomfort in making a decision with those funds so quickly because of the many components of the funding, including the use of the \$508,000 towards improvements for the Meridian Point Building and amphitheater. Others expressed support for moving forward with a decision on the use of the existing \$4.1 in one-cent Bed Tax funds on improvements at Cascade Park, and holding a conversation on the continued access to the one-cent in Bed Tax funds for performing arts spaces. Based on the discussion, the consensus of the Board members was to schedule a joint city-county commission meeting to further discuss the use of the funds and the need for performing art spaces.

Following the discussion, Commissioner Gillum offered an amendment to his original motion. As a point of order, Commission Maddox requested that Commissioner Gillum withdraw his substitute motion and Commissioner Dozier withdraw her original motion in order for a modified motion to be made. Both commissioners agreed to withdraw their motions.

Upon the withdrawal of the original motions, Commissioner Gillum **moved to convene a joint city-county meeting structured in a decision making fashion, as determined by the city and county attorneys. The motion was seconded by Commissioner Dozier.**

As an alternative Commissioner Miller offered that the meeting between the city and county commissioners could be adjourned and the CRA then meet to vote on an action. Commissioner Dozier suggested the City Manager and County Administrator meet to determine the details for the meeting.

Commissioner Ziffer commented that others, such as COCA, may need to be invited to attend the meeting. He clarified these groups would be invited as visitors, not as participants in the decision process. Commissioner Ziffer **called the question.** Upon second by Commissioner Dozier, **the vote on calling the question was as follows:**

AYE: Dozier, Gillum, Lindley, S. Maddox, Marks, Miller, Proctor and Ziffer

NAY: None

ABSENT: N. Maddox

Commissioner Gillum **moved to convene a joint city-county meeting structured in a decision making fashion, as determined by the city and county attorneys if an action is requested.** Upon second by Commissioner Dozier, **the vote was as follows:**

AYE: Dozier, Gillum, Lindley, S. Maddox, Marks, Miller, Proctor and Ziffer

NAY: None

ABSENT: N. Maddox

Fiscal Year 2014 CRA Promotional/Special Events Grant Program Mid-Year Review

Item 5.04 to be presented by Sherri Baker, CRA Senior Community Redevelopment Planner, was the CRA's mid-year review of the FY 2014 Promotional/Special Events Grant Program for the Greater Frenchtown/Southside and Downtown District community redevelopment areas.

This item was for information only.

Due to time constraints this item was moved to next month's CRA Board meeting.

Other Program and Project Updates

There were no additional updates on CRA programs and projects.

UNAGENDAED PUBLIC COMMENT

Robert Kenon, 630 West Brevard St, voiced his concern that the community is not being represented at CRA Board meetings. He also asked about the status of seeking community comments on changing the focus of the redevelopment plan.

Mayor Marks explained that as community leaders, the CRA Board are representatives of the community at the joint meeting and intend to incorporate the needs of the community into the CRA redevelopment plan.

UNAGENDAED ITEMS/COMMISSION DISCUSSION

Item 7.01 presented by Commissioner S. Maddox requested that staff bring back an agenda for discussion on using local contractors as part of the evaluation criteria for developments and/or projects seeking CRA funding support.

ADJOURNMENT

There being no further business to discuss the meeting adjourned at 11:46 a.m.

Submitted for the record:
Attachment 1
CRA meeting 4/24/14 by
David Jackson

- On behalf of the Riley Museum, let me first acknowledge the significant enhancements that have been made in east downtown with the opening of the Cascades Park, due in large part to this body. This project, though early in its history, is already being heralded as a successful 21st century model of private public collaborative place making and community engagement on state, regional and national levels. For sharing purposes, as well as to add to our city and county's bragging lists, I share briefly the following: (1) a Blog highlighting the Cascades project in development appeared on the 2013 National Trust for Historic Preservation website; (2) a national organization, the Association for African American Museums, has selected the Cascades-Smokey Hollow planning and development public private collaborative project for presentation at its August 2014 national conference in Birmingham AL, which is being hosted by the Birmingham Civil Rights Museum; (3) the Cascades-Smokey Hollow collaborative project has great potential of being selected as a session to be presented at the September 2014 National Trust for Historic Preservation Conference in Savannah GA; (4) The project is receiving the Tallahassee Architecture historic preservation development construction award on May 15, 2014; (5) The internationally renowned television station, BET, listed the Riley House number 8 on its list of the 150 most important African American historic museums in the United States to visit. This list was released and posted on the BET website the first week in April 2014; (6) C-Span held its Tallahassee/Leon County

Heritage Tour kick off and open house at the Riley Visitor Center in Winter of 2014. The station showcased the Riley House and other historic museums and cultural sites in Tallahassee/Leon County, and profiled our mayor and other officials in media spots that reached national viewers.

- The Riley House was pleased to play a pivotal role in the planning of the Cascades Park interpretive planning and development. We envision being able to continue as a uniquely positioned supporting partner.

THE CHALLENGE:

- Serving the community in the multiple ways that Riley does has its challenges. A majority of the organization's funds come from competitive grants. Fundraisers, memberships and gift shop sales are the other sources. It is from this state of affairs, that we are here. The new Visitors Center is strategically positioned to serve as a North End Cascades Park Welcome Center as well as a support to parks and recreation programming to keep the Park exciting and a living history experience. These, we envision, as conceivable extended roles for the Riley Museum.
- As you plan for use of CRA funding we ask that Riley be included.

Ditto to what already has been said – and exclamation points!!!! For 18 years, the Riley has been a primary source of information on several African American, and diversity inspired, heritage education and tourism community and governmental initiatives. Several of these projects are being viewed as models across the nation. We look forward to the opportunity to remain involved in what we feel are mutually beneficial heritage destination projects.

We have brought directors of African American museums from across the state to Tallahassee for training over the past 18 years. Many have been successful in returning home and securing local government support for their programs. I have shared examples of these mentee successes with CRA Director Ms. Roxanne Manning-Spady Museum in Delray, Blanchard Museum in Punta Gorda, L. B. Brown House Museum in Bartow Florida, and others. While we have been an outstanding teacher, our efforts to acquire a dedicated source of local government support continue with this request. An appeal is made for support to help sustain the Riely House as a valued research center, visitors hub in east town Tallahassee with connectivity to Cascades Park and a model of successfully executed public-private place-making and community engaged projects and programs. Thank you.



Agenda Item Details

Meeting	Jun 26, 2014 - CRA Board Meeting
Category	4. Policy Formation & Direction
Subject	4.01 Authorize CRA to Negotiate and Execute an Exchange Agreement with FSU for the Sale of the Former O'Connell Property (402 W Gaines Street) -- Roxanne Manning, Tallahassee Community Redevelopment Agency
Access	Public
Type	Action, Discussion
Fiscal Impact	No
Recommended Action	Option 1 - Authorize the CRA Executive Director to complete LOI negotiations with FSU regarding the exchange of the O'Connell property and enter into a Sales Exchange agreement with the TIITF Board (as the land owner) consistent with this agenda item and direction from the CRA Board.

Public Content

For more information, please contact: Rick McCraw, Tallahassee CRA, 850-891-8352

Statement of Issue

In January 2010, the City of Tallahassee Community Redevelopment Agency (CRA) purchased the O'Connell property located at 402 W. Gaines St. for \$4.65 million dollars. The property, which is immediately south of the Donald L. Tucker Civic Center (Civic Center) is a vacant 5.3 acre parcel within the All Saints – D (AS-D) zoning district. The AS-D zoning district encourages the creation of a high-intensity urban activity corridor with a pedestrian orientation. Permitted uses in the district include; mixed uses, colleges, universities, restaurants, office and entertainment establishments. The property is located within the Greater Frenchtown/Southside Community Redevelopment Area.

In the summer of 2012, Florida State University (FSU) acquired ownership of the Civic Center, although operation of the Civic Center remained under the Tallahassee-Leon County Civic Center Authority (TLCCC). In the summer of 2013, the TLCCC Authority was repealed and FSU assumed management of the Civic Center. Starting in 2012, FSU began examining master planning options for the Civic Center and adjacent areas. This eventually led to the Arena District Concept in early 2013, which included conceptual redevelopment plans for the Civic Center and adjacent properties, including the O'Connell property.

At the April 24th CRA Board meeting, Commissioner Gillum provided an overview of the proposed sale of the O'Connell property to FSU for cash and the transfer of FSU-controlled properties on Gaines Street to the CRA. The Board indicated their support of the proposed land sale and property transfer. In addition, the CRA Board approved noticing the proposed sale of the O'Connell property as required by Chapter 163.380(3), Florida Statutes. The notice period ended on June 2, 2014; FSU was the only respondent to the proposed sales notice.

FSU submitted a Letter of Intent (LOI) to Enter into an Exchange Agreement with the CRA for the sale of the O'Connell property on May 30th. Following CRA staff review and subsequent comments with FSU representatives, FSU submitted an amended LOI (Attachment 1) on June 19th. The general terms of the amended LOI include

- \$960,000 in cash from FSU.

- Setting aside \$400,000 of the cash sale in an escrow account for remediation of environmental contamination of the O'Connell property (Attachments 2 and 3) by FSU with a stepback refund provision that returns \$200,000 to the CRA at the end of the first year and after a total of 5 years returns the entire amount to the CRA if it is not utilized for environmental cleanup.
- The transfer of the FSU-controlled Firestone and Bloxham Annex properties (Attachments 2 and 4) on east Gaines St., to the CRA, which have a combined appraised value of \$4,080,000.
- The transfer of FSU-controlled 715 East Gaines Street (Attachments 2 and 5), to the CRA, which has an appraised value of \$770,000.
- The FSU Multidisciplinary Center (Center) will be allowed to continue to lease the 715 East Gaines Street property for up to 24 months.
- The CRA will provide up to \$50,000 to relocate the Center from 715 East Gaines Street at the end of the 24 month lease period, or sooner.
- If the Center relocates to CRA or City-owned property, the CRA will subsidize the rent over a three-year period.
- The CRA can use the proceeds from the eventual sale of the 715 West Gaines Street property for any environmental remediation of the Firestone and Bloxham Annex properties.
- The CRA will invest the proceeds from the eventual sale of the 715 West Gaines Street property, after expenditures consistent with the above terms, into the O'Connell property for improvements associated with the Arena District.

The proposed terms and conditions of the LOI are discussed in detail in the main body of this agenda item.

Recommended Action

Option 1 - Authorize the CRA Executive Director to complete LOI negotiations with FSU regarding the exchange of the O'Connell property and enter into a Sales Exchange agreement with the TIITF Board (as the land owner) consistent with this agenda item and direction from the CRA Board.

Fiscal Impact

At this point, there is no fiscal impact. However, if the sale and property transfer is eventually approved by the CRA and FSU, the CRA will receive a total of \$5,810,000 in cash (\$960,000) and land value (\$4,850,000). If the exchange is completed, it will result in a generally equivalent exchange of property and other considerations which can be used in future CRA projects. Once transferred to the CRA, staff expects to market the new properties for redevelopment. The fiscal impact to the CRA will include both the sale of the properties to private developers and the future tax increment that will be generated when the properties are developed and added to the tax rolls.

Supplemental Material/Issue Analysis

History/Facts & Issues

In January 2010, the CRA purchased the O'Connell property located at 402 W. Gaines Street for \$4.65 million dollars. The property, which is immediately south of the Donald L. Tucker Civic Center is a vacant 5.3 acre parcel within the AS-D zoning district, which encourages the creation of a high-intensity urban activity corridor with a pedestrian orientation. Permitted uses in the district include; mixed uses, colleges, universities, restaurants, office and entertainment establishments. The property is located within the Greater Frenchtown/Southside Community Redevelopment Area.

In the summer of 2012, FSU acquired ownership of the Civic Center, although operations remained under the Civic Center authority. In early 2013, Florida State University began the planning process for the Arena District (Attachment 6), which included the Civic Center and immediately surrounding properties, including the CRA-owned O'Connell property. The Arena District concept is a large mixed use project which could include a convention center, convention center hotel, a home for the School of Business, classrooms, offices, and associated retail and entertainment uses. The concept includes the purchase of the O'Connell parcel from the CRA by FSU. In addition to the Arena District, FSU is also in the early planning stages of the Madison Mile, which would connect the Civic Center to Doak Campbell Stadium, about a mile away along Madison Street.

On February 27, 2014, Kevin Graham, Executive Director of FSU's Real Estate Foundation, provided the CRA Board with a brief overview of the Arena District and Madison Mile concepts. In his presentation, Mr. Graham described the extensive

redevelopment that was envisioned on both the Civic Center and O'Connell properties, noting the anticipated capital investment was at least \$250 million, and probably more. He also described the expected economic development benefits to the community from the investment, which included an estimated 4,000 jobs and \$400 million in economic impact during construction, and an estimated 1,000 jobs and \$100 million in annual recurring economic impacts.

FSU's Letter of Intent to Enter into an Exchange Agreement

Based on recent appraisals prepared for FSU, and verified by the Florida Department of Environmental Protection, Bureau of Lands Management, the O'Connell property has an appraised value of \$5,810,000. In response to FSU's interest in purchasing the O'Connell property to assist in the development and implantation of their Arena District concept, CRA staff, led by the City Manager and Commissioner Gillum, had a series of meetings and discussions with FSU leadership and staff.

From these discussions, FSU submitted a Letter of Intent (LOI) to Enter into an Exchange Agreement with the CRA for the sale of the O'Connell property on May 30th. Following CRA staff review and subsequent comments with FSU representatives, FSU submitted an amended LOI on June 19th. The terms of the amended LOI, which includes a combination of cash and property transfers are described below.

- **Cash from FSU - \$960,000.** Up to \$400,000 of this amount may be placed in escrow to cover institutional level environmental clean-up on the O'Connell Site. The CRA and FSU have agreed to a full refund of these funds if it is determined that there no cleanup is needed. Additionally, there is a stepped refund provision which returns \$200,000 to the CRA one year after closing if the funds are not used for cleanup. By Year 5, all escrowed funds are returned to the CRA if not used for remediation. The City and CRA staff has already conducted Phase I and II environmental assessments on the O'Connell site which showed minimal amounts of contamination at levels that could be addressed through institutional controls. However, FSU will complete their own assessment.
- **Transfer Ownership of the Firestone and Bloxham Annex Properties to the CRA - Appraised value of \$4,080,000.** These properties are on East Gaines Street immediately adjacent to Cascades Park. Initial discussions with several developers indicate these properties have very strong potential for redevelopment as mixed-use market rate condominiums or apartments. There may be some environmental contamination in the area and appropriate assessments are being performed. FSU has agreed to allow a credit up to the sale price of the 715 Gaines St. property, to pay for any required environmental remediation.
- **Transfer Ownership of 715 West Gaines Street to the CRA – Appraised value of \$770,000.** This property is in the middle of existing and proposed developments on Gaines Street. The property currently houses offices of the FSU Multidisciplinary Center (Center) of the School of Social Work. Given its location within an area undergoing major redevelopment, this property will be of interest to developers. The initial proposal from FSU included provisions to allow the School to remain in the building for up to 6 years, with an additional requirement that the CRA pay to construct an acceptable space for the use. Following further discussion, FSU and the CRA have agreed to allow the Center to remain in the building for up to two years at \$10 per year, with additional provisions that address moving and rent subsidies, as noted below.
 - The CRA will provide up to \$50,000 to relocate the Center from 715 East Gaines Street at the end of the 24 month lease period, or sooner.
 - If the Center relocates to CRA or City-owned property, the CRA will subsidize the rent, if charged, by 75 percent in Year 1, 50 percent in Year 2, and 25 percent in Year 3. All subsidies will end in Year 4.
- **Additional Use of 715 West Gaines Street Proceeds.** The LOI, based on discussions with CRA staff, includes the possible use of proceeds from eventual sale of 715 West Gaines Street by the CRA. These are briefly described below.
 - The CRA can use the proceeds from the eventual sale of the 715 West Gaines Street property for environmental remediation of the Firestone and Bloxham Annex Properties.
 - The CRA will invest the proceeds from the eventual sale of the 715 West Gaines Street property, after expenditures consistent with the above terms, into the O'Connell property for improvements associated with the Arena District.

Timeline:

Assuming CRA Board authorization for the CRA Executive Director to complete the LOI negotiations with FSU and to enter into a Sales Exchange Agreement with the TIITF Board (as the land owner), FSU will present the executed Exchange Agreement to the TIITF Board on July 8th for consideration at their August 19th meeting. If the exchange is approved by the TIITF Board, it will take approximately 60 days to complete the sale/exchange. This will also be a time for the CRA to complete any additional due diligence analysis, such as Phase II environmental assessments on the Firestone and Bloxham Annex properties. If major issues, as identified in the Exchange Agreement (such as environmental contamination) are discovered during the due diligence period, both parties will have an opportunity to cancel the property sale. After the successful completion of the due diligence period, FSU and CRA staff will close on the property and execute any remaining terms from the LOI.

Other Considerations

It is important to note that the O'Connell property and 715 West Gaines Street are both located within the Greater Frenchtown/Southside (GFS) Community Redevelopment Area, while the Firestone Building and Bloxham Annex properties are located within the Downtown District Community Redevelopment Area. Because the O'Connell property is in the GFS district, the proceeds (less closing costs and funds required for environmental cleanup) from the sale of the O'Connell property and the potential sales of the 715 West Gaines Street, Firestone and Bloxham Annex properties will be deposited in the GFS Redevelopment Trust Fund for reinvestment within the GFS district, in an amount that is equal to or greater than the acquisition cost of the O'Connell property. Funds from the sale of the Firestone Building and Bloxham Annex properties will not be used within the Downtown District Community Redevelopment Area.

Options

1. Authorize the CRA Executive Director to complete LOI negotiations with FSU regarding the exchange of the O'Connell property and enter into a Sales Exchange Agreement with the TIITF Board (as the land owner) consistent with this agenda item and direction from the CRA Board.
2. Do not authorize CRA staff to complete LOI negotiations with FSU regarding the exchange of the O'Connell property or enter into a Sales Exchange agreement with the TIITF Board (as the land owner) consistent with this agenda item and direction from the CRA Board.

Attachments/References

1. Amended FSU Letter of Intent to Enter into an Exchange Agreement with the CRA, June 19, 2014
2. Map of all Exchange Related Properties
3. Map of the O'Connell Property
4. Map of Firestone and Bloxham Annex Properties
5. Map of 715 West Gaines Street Properties
6. FSU Arena District Presentation

[Attach 1.pdf \(646 KB\)](#)[Attach 2.pdf \(1,976 KB\)](#)[Attach 3.pdf \(1,461 KB\)](#)[Attach 4.pdf \(1,398 KB\)](#)[Attach 5.pdf \(1,489 KB\)](#)[Attach 6.pdf \(4,124 KB\)](#)**Administrative Content**



FLORIDA STATE
UNIVERSITY

Sr. Associate Vice President for Facilities
116 Mendenhall A
Tallahassee, Florida 32306-4151
Telephone: (850) 644-8136
Fax: (850) 644-6946

June 19, 2014

Ms. Roxanne Manning
Executive Director
Tallahassee Community Redevelopment Agency
435 North Macomb Street
Tallahassee, FL 32301

Re: Amended Letter of Intent to Enter into Exchange Agreement

JUN 19 14 16:57 PM

Dear Ms. Manning:

This Letter of Intent ("LOI") serves to amend the Letter of Intent submitted by the Florida State University Board of Trustees, a public body corporate of the State of Florida, for and on behalf of Florida State University ("FSU") to the Tallahassee Community Redevelopment Agency ("CRA") (individually referred to as "Party" collectively referred to as "Parties") on May 30, 2014 for the conveyance of certain parcels of real property located in Leon County, Florida and more particularly described in Section 1 below. This LOI memorializes the current understanding between FSU and the CRA, and the intent of the Parties to execute a definitive and mutually agreeable Exchange Agreement.

1. Properties To Be Exchanged:

a. Properties transferred from FSU CTITF to CRA

Subject to final approval of the FSU Board of Trustees and the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida ("TIITF"), FSU agrees to convey to the CRA the following real properties located in Leon County, Florida ("State Properties"), including all improvements, easements, appurtenances, and hereditaments thereto belonging or in anywise appertaining.

Parcel One:

The property commonly referred to as the Bloxham Property located at 309 East Gaines Street, Tallahassee, FL and identified by Property Appraiser Identification Number 2136250311180, and which shall be more particularly described by legal description in the subsequent exchange agreement and instrument of conveyance.

Parcel Two:

The property commonly referred to as the Firestone Property located at 409 East Gaines Street, Tallahassee, FL and identified by Property Appraiser Identification Number 2136250301170, and which shall be more particularly described by legal description in the subsequent exchange agreement and instrument of conveyance.

Parcel Three:

The property located at 715 West Gaines Street, Tallahassee, FL, identified by Property Appraiser Identification Number 2135510001320, and which shall be more particularly described by legal description in the subsequent exchange agreement and instrument of conveyance.

The State Properties (parcels one through three) have a combined appraised value of four million eight hundred and fifty thousand dollars (\$4,850,000).

b. Property transferred from CRA to FSU

Subject to final approval of the CRA Board, the CRA agrees to convey to FSU the following real property located in Leon County, Florida ("CRA Property"), including all improvements, easements, appurtenances, and hereditaments thereto belonging or in anywise appertaining.

Parcel Four

The property commonly referred to as the O'Connell Property, located at 402 West Gaines Street, Tallahassee, FL, identified by Property Appraiser Identification Number 2136900078545, and which shall be more particularly described by legal description in the subsequent exchange agreement and instrument of conveyance.

The CRA Property has an appraised value of five million eight hundred and ten thousand dollars (\$5,810,000).

2. Additional Terms:

As additional consideration and as settlement of the difference in value between the appraised value of the FSU and the CRA properties, FSU agrees to pay the CRA nine hundred and sixty thousand dollars (\$960,000) ("Cash Consideration"). At closing, four hundred thousand dollars (\$400,000) of the Cash Consideration will be placed in escrow to address environmental concerns on the O'Connell Property, through remediation of the contaminated areas and/or through land use controls, if necessary. The escrowed funds will be disbursed to the CRA based on the following step-down schedule:

Schedule:

Starting Escrow: \$400,000

<u>Date of Disbursement</u>	<u>Amount Disbursed</u>
1 year from date of closing	\$200,000
2 years from date of closing	\$50,000
3 years from date of closing	\$75,000
4 years from date of closing	\$25,000
5 years from date of closing	\$50,000

However, if at any time earlier than the full release of escrowed funds, FSU determines, based on evidence sufficient to FSU, that the amount of escrowed funds exceeds the amount necessary to remediate the O’Connell property to the required standard, FSU agrees to release the excess amount from escrow. Release of excess funds in advance of the scheduled dates set forth above is within FSU’s sole discretion.

FSU and the CRA agree to work in good faith to address the environmental concerns identified in the Phase I and Phase III Environmental Site Assessments conducted on the Firestone and Bloxham properties. FSU agrees that costs related to the required removal of asbestos containing or lead-based material or additional demolition costs related to environmental contaminates will be paid out of the proceeds from the sale of the 715 W. Gaines Street Property (Gaines Property).

As additional consideration and essential to the terms of this exchange, after closing the transaction discussed herein, the CRA agrees to allow the FSU Multidisciplinary Center (the “Program”) continued use and enjoyment of the Gaines Property and all improvements thereon for two years from the date of closing at a nominal rental rate of ten dollars per year. Six months prior to the expiration of the above mentioned lease, the Parties agree to meet and identify a new City of Tallahassee/CRA property in which to temporarily relocate the Program (“Relocation Property”), if FSU determines a Relocation Property is necessary. The Relocation Property will be similarly situated (as to size, utility, and location) as the Gaines Property. The CRA will lease the Relocation Property to FSU for one year with an option to renew the lease for three additional one-year terms. The initial rental rate for the Relocation Property will be twenty-five percent (25%) of the Fair Market Rental Rate (FMRR). The rental rate shall increase by an additional 25% of the FMRR each year until the fourth year when the rental rate will be one hundred percent (100%) of the FMRR. For the avoidance of doubt the rental schedule for the Relocation Property shall be as follows:

Year 1 -	25% of FMRR
Year 2 -	50% of FMRR
Year 3 -	75% of FMRR

Year 4 and beyond - 100% of FMRR

The parties agree to negotiate a separate agreement memorializing the mutually acceptable terms and conditions for lease of the Gaines Property to FSU prior to closing the transaction discussed herein. The CRA or the City of Tallahassee will negotiate a new mutually acceptable lease no later than six weeks prior to relocating the Program to the Relocation Property. The CRA agrees to make a one-time payment of fifty thousand dollars (\$50,000) to assist FSU with expenses related to the Program's relocation to a temporary or permanent space. The CRA's contribution to FSU's relocation expenses is contingent upon FSU vacating the Gaines Property no later than two years after the CRA takes title to that property.

As added consideration and essential to the terms of this exchange, after relocating the Multidisciplinary Center the CRA has agreed to sell the Gaines Property at market value and, subject to the potential environmental costs expressly stated herein, to reinvest the proceeds of the sale of this property back into the O'Connell Parcel for improvements associated with the Arena District development. FSU will continue to welcome the CRA's participation in reviewing and commenting on the design and development plans for the Arena District, specifically pertaining to the integration of retail elements along the Gaines Street corridor. CRA acknowledges and agrees that said participation is advisory in nature and in no way constitutes regulatory authority over the project.

The CRA acknowledges and agrees that it will be subject to the customary terms and conditions of a TIITF real property transaction. FSU shall prepare and submit to the CRA for review a draft of the Exchange Agreement, incorporating the customary representations, warranties, covenants, indemnities, and other terms to be agreed upon by the parties. The CRA (or designated staff) agrees to take the necessary actions to have its Board review, approve, and execute the Exchange Agreement at its regularly scheduled June 2014 meeting. FSU will take the actions necessary to have its Board of Trustees review and approve the exchange at its regularly scheduled June 2014 meeting. FSU shall work with staff of the TIITF to achieve final approval of the Exchange Agreement by the TIITF at their regularly scheduled August 2014 meeting.

From the date of the Parties acceptance of this LOI, until closing of this real estate transaction, the Parties agree to (i) cooperate with each other to achieve the objectives related to this transaction; (ii) negotiate unresolved matters in good faith; (ii) provide each other with requested information or copies of requested documents in the party's respective possession or control (or those reasonably obtainable by the respective parties without additional expense) in a timely manner and to the extent the party is not legally precluded from doing so; and (ii) to authorize each other to enter and access the properties subject to this transaction, with prior notice, for inspection purposes. Each party is responsible for restoring damage done to the other's property during its inspection.

Unless otherwise stated herein, the Parties shall each pay their own costs and expenses in connection with this LOI, including, but not limited to, the costs of their respective legal counsel.

3. Miscellaneous Terms

This Letter may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same

Please sign the enclosed counterpart of this letter in the space provided below, evidencing the CRA's agreement with the terms as stated above, and return a fully executed copy of the counterpart to FSU. We look forward to finalizing the definitive Exchange Agreement which, once executed, will supersede and replace this letter agreement.

Sincerely,



Dennis A. Bailey
Sr. Associate Vice President for Facilities
Florida State University

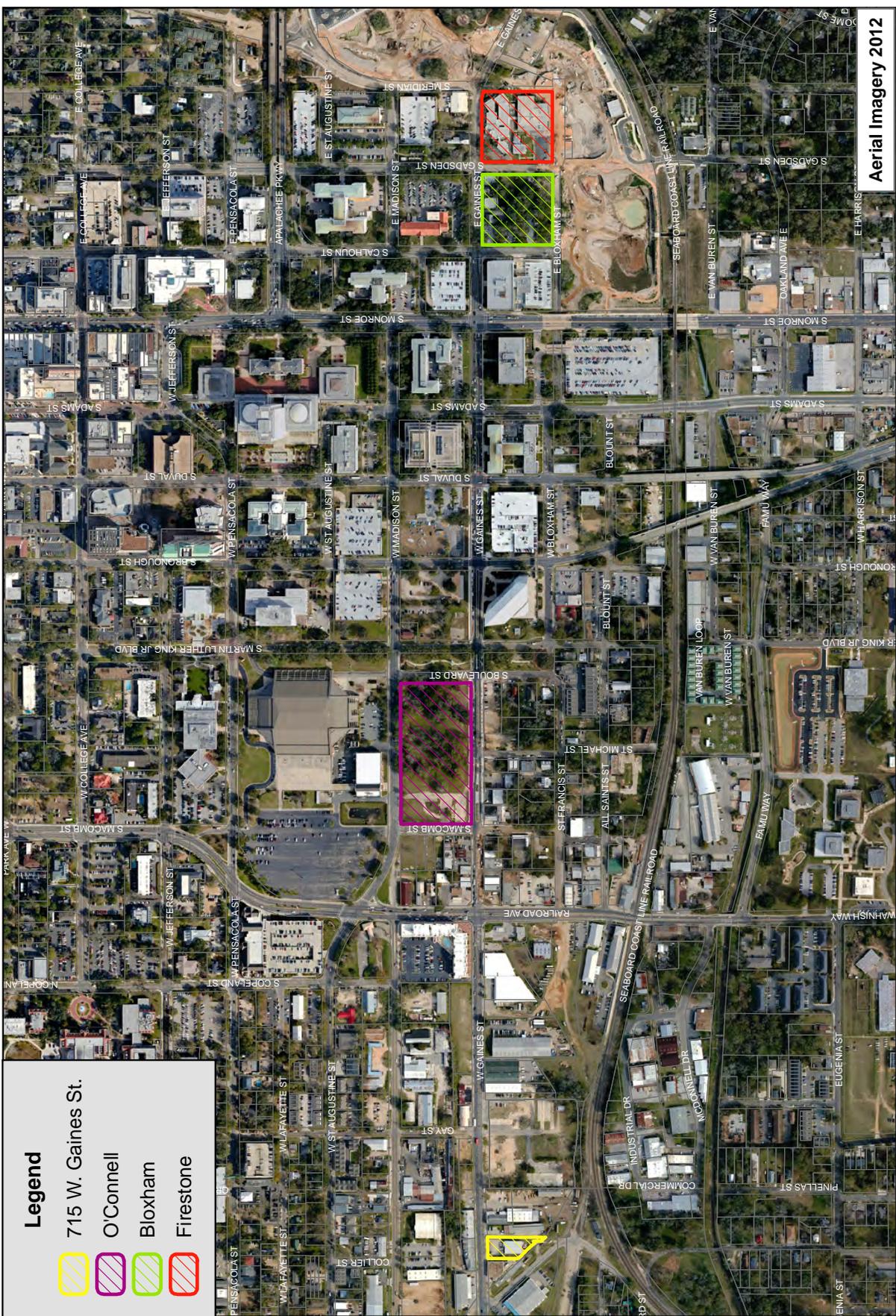
ACKNOWLEDGED AND AGREED:

Tallahassee Community Redevelopment Agency

By: _____

Name: _____

Title: _____



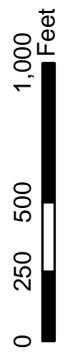
Legend

-  715 W. Gaines St.
-  O'Connell
-  Bloxham
-  Firestone

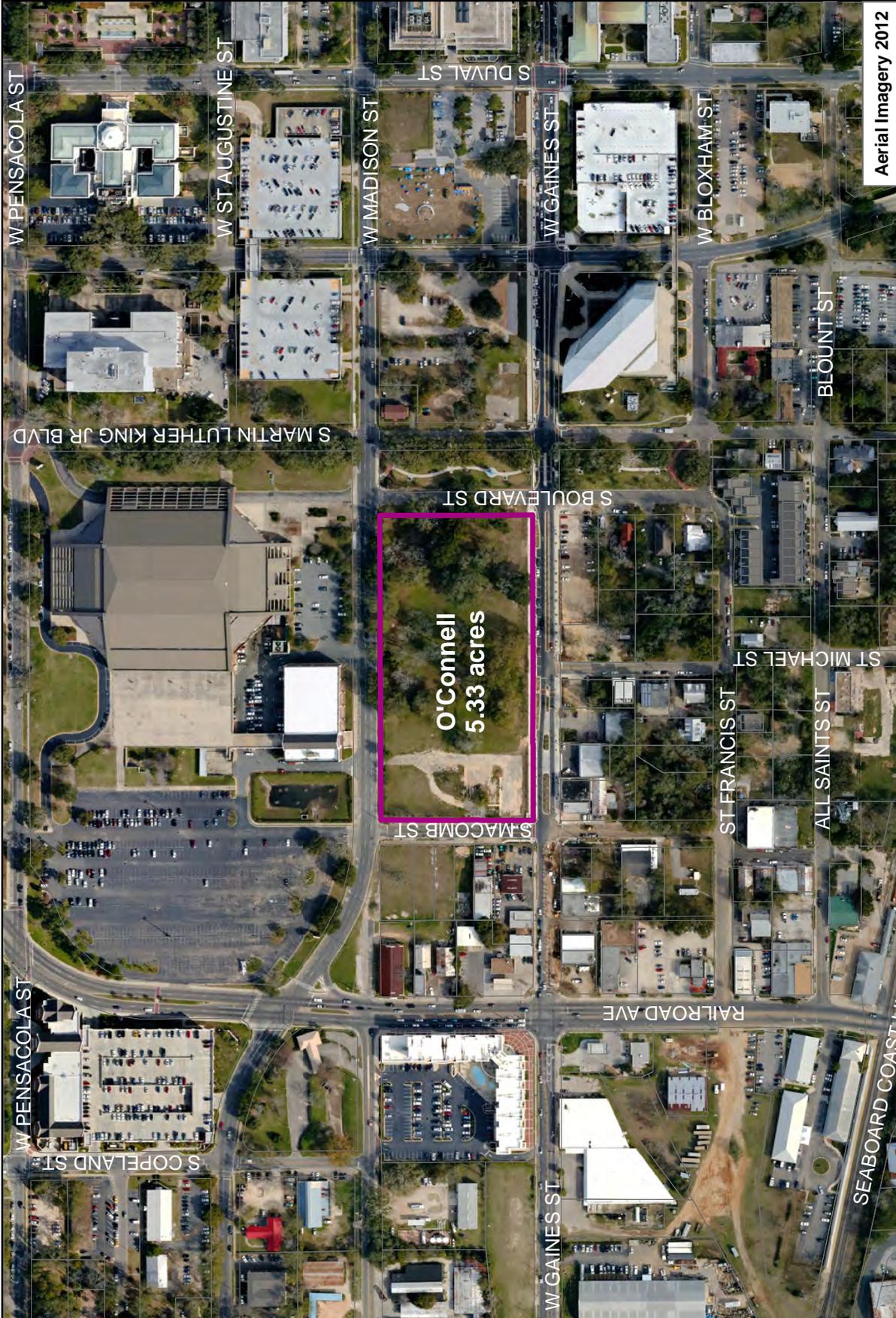
Aerial Imagery 2012

The product has been compiled from the City of Tallahassee, Leon County and the City of Tallahassee. However, this product is for reference purposes only. It is not intended to be used as a document or survey instrument. Any reliance on the information contained herein is at the user's risk. Tallahassee assumes no responsibility for any use of the information contained herein or any loss resulting therefrom.

Map Produced: April 18, 2014



O'Connell Property and Proposed Exchange Properties



Aerial Imagery 2012

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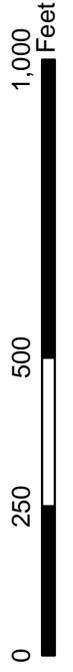
O'Connell Property

Map Produced: April 18, 2014



Aerial Imagery 2012

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 Map Produced: April 18, 2014

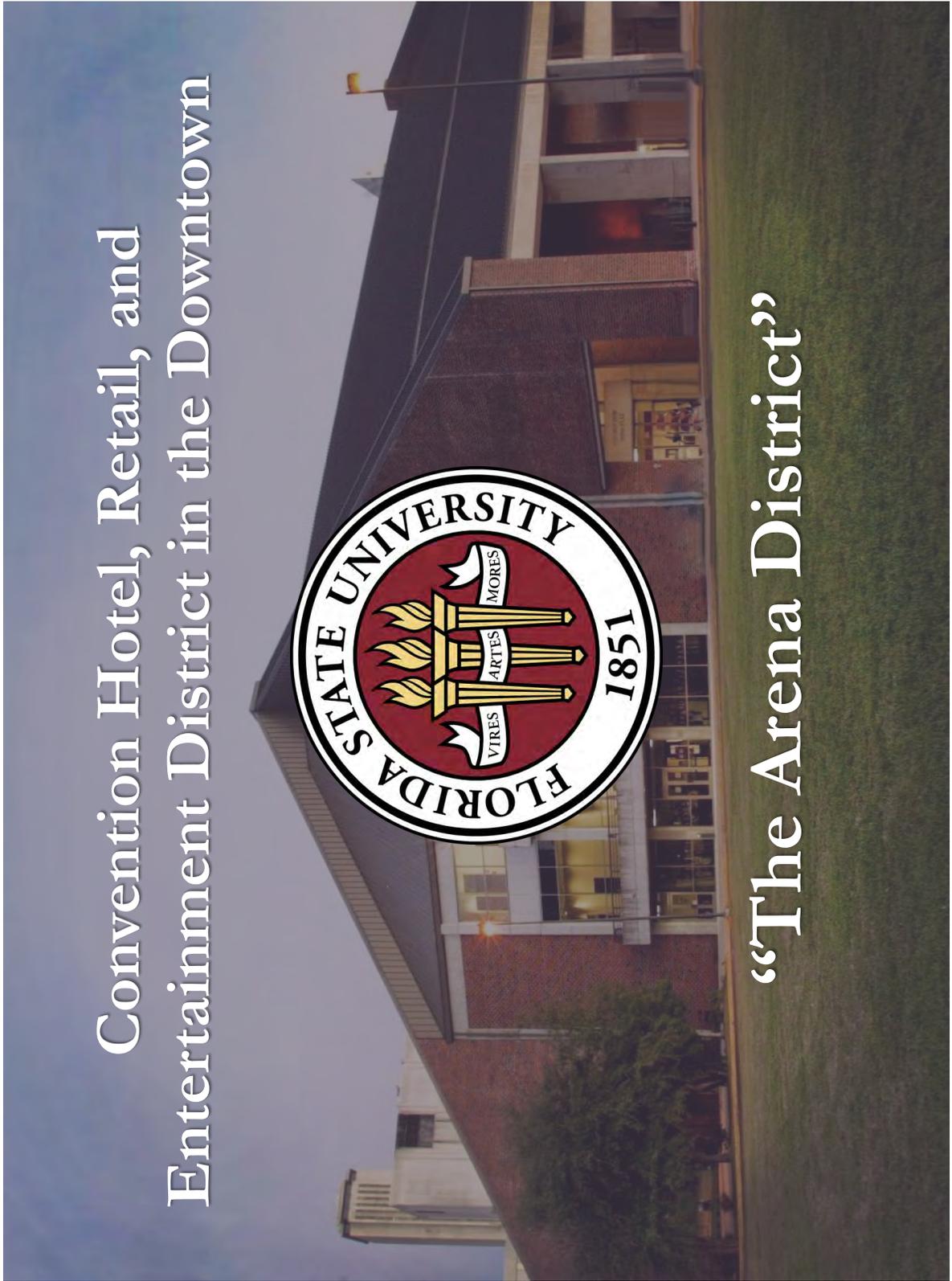


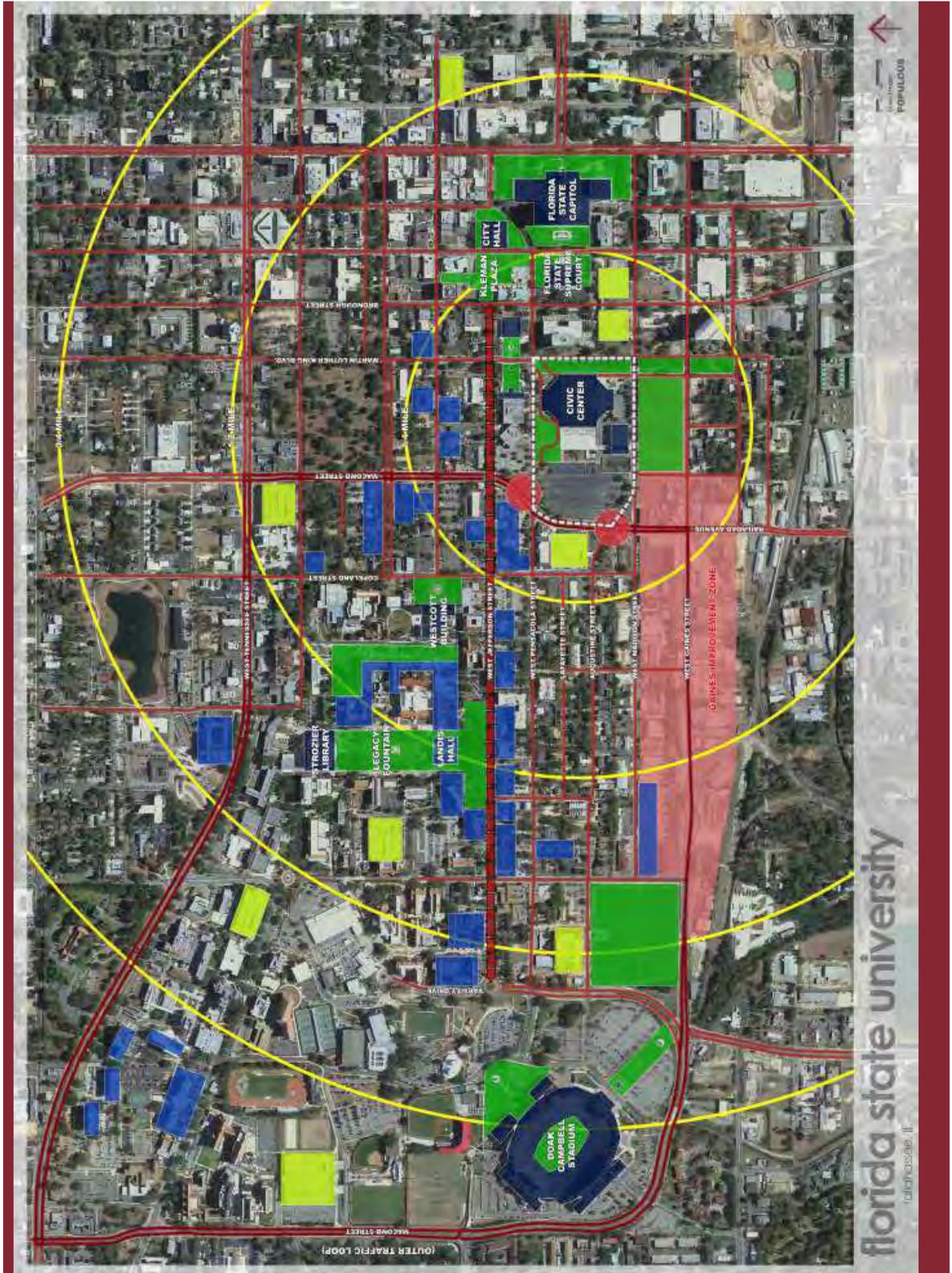
**Bloxham and
 Firestone Properties**

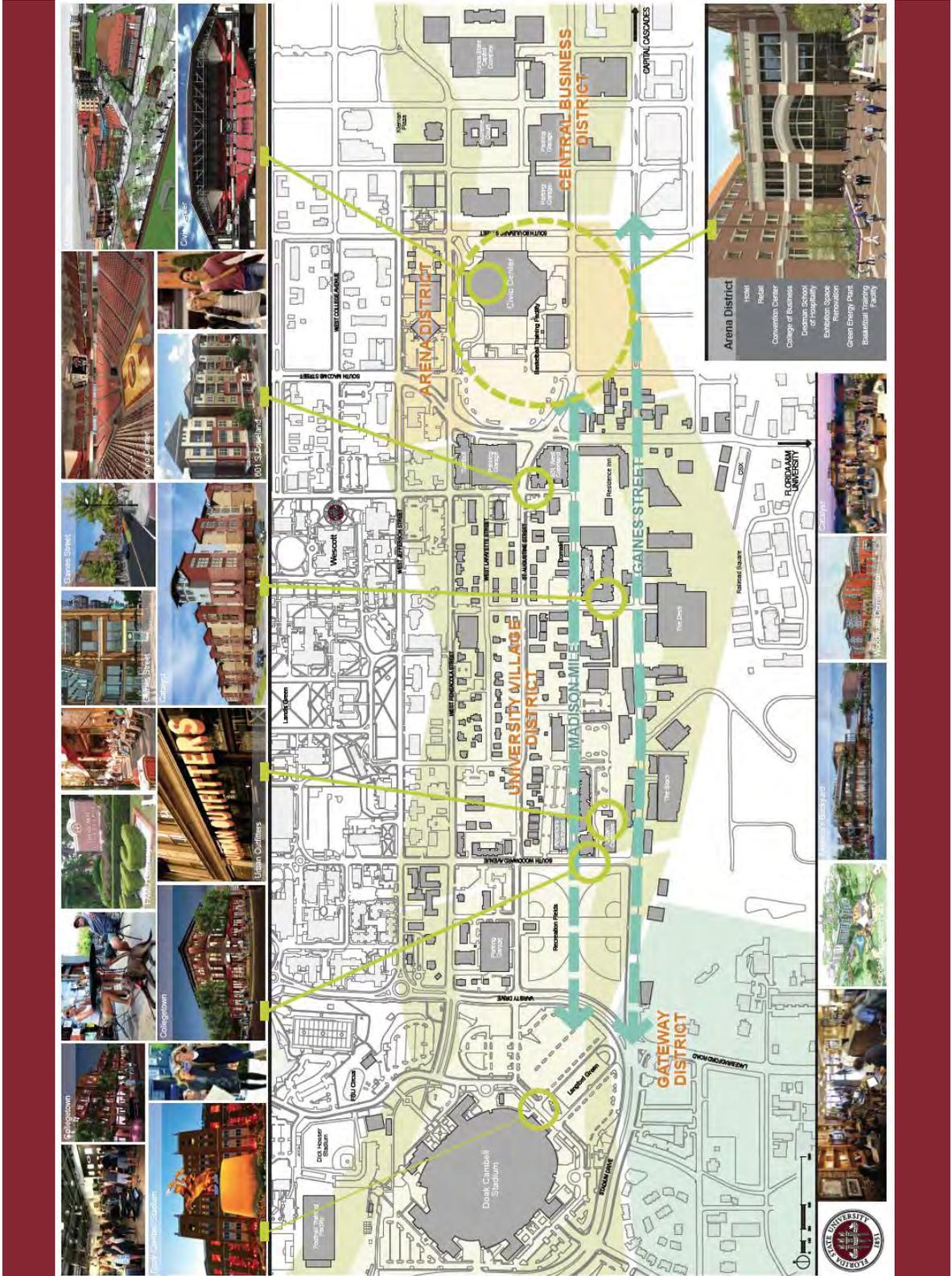
Convention Hotel, Retail, and Entertainment District in the Downtown



“The Arena District”







Recent Events

- Summer 2012
 - FSU acquires ownership of the Civic Center
 - FSU enters into Lease with TLCCC Authority to operate facility
 - FSU commissions several studies and analyses to better understand the structure, operations, market, and opportunities for the Civic Center
- Summer 2013
 - TLCCC Authority charter is repealed (HB 1285)
 - Civic Center under FSU management
 - Global Spectrum awarded contract through ITN. Contract pending.



Arena District Master Plan

- FSU hires Architects Lewis + Whitlock - continuing contract for Master Planning services up to \$200,000.
- Lewis & Whitlock invite in excess of 20 planning firms to participate in a RFP to participate as a sub-consultant
- Eight planning firms submit proposals
- Four firms are invited to present (Sasaki, Populous, TSW, LWLP)
- Sasaki selected to negotiate contract for services
- Kick off meetings scheduled for March 4-5
- Expect planning process to take 4-6 months



The Components for a District

Moore Communications 2013

- Academics
 - College of Business; Dedman School of Hospitality; student-run experiences; Incubator/entrepreneurial space; Study spaces; Social spaces
- Athletics
 - World-class facilities; Functional practice space; Elevated fan experience
- Retail & Lifestyle Options
 - Mix of national and local shopping options such as Book Store, Grocery Store, Bars, Restaurants, Coffee Shops, Housing, Entertainment, and more.
- A Convention Campus
 - On-site hotel; Turnbull Center extension; Enhanced meeting space
- Signature outdoor attractions and green spaces for the community
- Connectivity
 - Sidewalks, Parking, pedestrian bridges



Projected District Capital Improvements

	Square Ft	\$ per Sq. Ft	Estimate
Hotel	150,000	\$425	\$65M +/-
Retail	50,000	\$200	\$10M +/-
Convention	85,000	\$350	\$30M +/-
College of Business	200,000	\$400	\$80M +/-
Dedman School of Hospitality	100,000	\$400	\$40M +/-
Exhibition Renovation	20,000	\$200	\$4M +/-
Basketball Training Facility	60,000	\$200	\$12M +/-
District Infrastructure			\$20M +/-
Total			\$260M +/-



Driving Forces and Objectives

- Tie together and anchor the impression and experience of Tallahassee's downtown as a truly welcoming, vibrant, livable, walkable urban district
- Spur transformative economic growth including:
 - Estimated 4,000 jobs and \$400 million in economic impact during the construction period
 - Estimated 1,000 jobs and \$100 million annual recurring economic impact
- Conservatively drive an additional 25,000 visitor nights to Tallahassee annually
- Enhance the national reputation of Tallahassee:
 - Exciting city for visitors
 - Strong contender for mid-size convention and conference business
- Create an entrepreneurial learning environment near the relocated FSU College of Business



Outcome Metrics

- Increased tourism visitation
- Estimated \$12.5 million in new tax revenue generated annually
- Projected \$100 million recurring economic impact and 1,000 annual jobs
- Provides internships and employment opportunities for FSU, FAMU, and TCC students
- Enhanced cultural and entertainment options for residents and visitors
- Allows for greater opportunities for strategic collaboration between business owners, local governments, FSU, FAMU, and TCC
- Ties together many exciting projects of the past five years into a single cohesive effort to redefine the downtown
- Expands the number of conferences and convention visitors from industry, academic, and government groups
- Improves the national reputation of Tallahassee



The Arena District



Questions?





Agenda Item Details

Meeting	Jun 26, 2014 - CRA Board Meeting
Category	4. Policy Formation & Direction
Subject	4.02 Authorize CRA to Negotiate and Execute Parking Management and Parking Space Lease Agreements of CRA-Owned Public Parking Spaces in Deck and Block Developments on Gaines Street -- Roxanne Manning, Tallahassee Community Redevelopment Agency
Access	Public
Type	Action, Discussion
Fiscal Impact	Yes
Recommended Action	Option 1 - Authorize the CRA executive director to negotiate and execute parking management and lease agreements of CRA-owned public parking spaces in Deck and Block developments on Gaines Street consistent with this agenda item and guidance provided by the CRA Board.

Public Content

For more information, please contact: Rick McCraw, Tallahassee CRA, 850-891-8352

Statement of Issue

On July 11, 2012, the CRA Board approved a development agreement with District Joint Venture (DJV, formerly known as North American Properties) for the development of the Sallie and Ferguson properties on West Gaines Street. The properties were developed as mixed use developments consisting of residential units, retail space and parking, and are now known as the "Deck" and the "Block." As part of the development agreement, the CRA purchased 137 public parking spaces in the Deck and 35 public parking spaces in the Block. These public spaces will provide the public parking "nodes" that were envisioned during the design of the new Gaines Street corridor. The developments are nearing completion, with retail build-out underway and residents expected to arrive in early August.

For the past several months, CRA staff and DJV representatives have been working out details on the management of the public parking spaces, and the lease of some of those spaces to DJV for retail space employees. One of the major concerns of CRA staff has been controlling the costs to maintain the public parking spaces to help ensure those costs do not exceed the income that will be generated from the public parking. After reviewing options, CRA staff determined that contracting with DJV to manage the public parking in both developments provided a consistent management presence and an economical solution for a quarterly management fee of \$3,600 plus capital expenses. In addition, DJV has requested a lease of 25 public parking spaces in the Deck development from the CRA at a rate of \$50 per month to serve select retail space employees. This will generate \$3,750 in income to the CRA per quarter, not including parking revenues from the remaining 147 public spaces. Under the current proposals, the CRA will begin collecting the DJV lease parking lease fees on August 1, 2014, but will not be required to pay the DJV quarterly management until January 1, 2015.

Recommended Action

Option 1 - Authorize the CRA executive director to negotiate and execute parking management and lease agreements of CRA-owned public parking spaces in Deck and Block developments on Gaines Street consistent with this agenda item and guidance provided by the CRA Board.

Fiscal Impact

As part of the proposed parking management fee, DJV will charge the CRA \$3,600 per quarter, plus capital expenses and the CRA will be solely responsible for the cost to lease and maintain parking pay stations/kiosks. The expenses to the CRA will be offset by income generated from the public parking, including the lease of 25 parking spaces in the Deck parking garage at \$50.00 per space/month, which will generate \$3,750 per quarter. Additionally, if the CRA is able to realize a minimum of \$1.00 per day per space, the CRA will realize public parking income of \$4,410/month or \$52,910/year. CRA staff anticipates that income will actually exceed this amount. The CRA will start collecting the DJV lease parking lease fees on August 1, 2014, and payment of the quarterly management fee to DJV will not be effective until January 1, 2015. This will provide the CRA with five months of actual parking use data to develop more refined revenue and expense projections.

Supplemental Material/Issue Analysis

History/Facts & Issues

The Deck and Block developments on Gaines Street consist of more than 400,000 square feet of space with over 550 residential units and 26,000 square feet of retail space. As part of its investment in the developments, the CRA purchased a total 172 public parking spaces in both developments. The CRA-owned parking spaces are intended to serve the public and may also be used to serve retail and commercial developments on nearby properties within the Gaines Street district.

Under the ownership documents for the parking spaces, the CRA is responsible to operate and maintain the public parking spaces, which includes capital expenses and daily operations, such as trash and debris removal, and parking control. For the past several months, CRA and DJV representatives have been actively working on parking management plans for the public parking spaces in both garages. These plans, to the maximum extent possible, are intended to ensure that revenues from the CRA spaces will be sufficient to cover the Agency's parking management expenses and potentially provide revenue for the Agency. At a minimum, these public spaces will provide the public parking nodes that were envisioned in the new Gaines Street plan.

CRA staff believes it would be beneficial to the CRA to enter into separate parking management lease and parking space lease agreements with DJV because they will already be managing their spaces in the parking structure and can provide services based on the percentage of the spaces actually owned by the CRA. CRA staff is seeking authorization from the CRA Board for the CRA Executive Director to negotiate and execute parking management and lease agreements of CRA-owned public parking spaces in Deck and Block developments on Gaines Street consistent with this agenda item and guidance provided by the CRA Board. A summary of the current agreements proposals are provided below.

Parking Management Agreement:

DJV has offered to manage the public parking in both developments under a management/lease agreement with the CRA and for a quarterly management fee of \$3,600, with an escalation clause at each renewal period. Under the current proposal from DJV, management of the public parking spaces would begin on August 1, 2014, but the quarterly payments due from the CRA would not start until January 1, 2015.

Under the proposed lease, DJV will provide 24-hour access to on-site staff, several times daily debris collection and removal, general maintenance and repair, and monitoring of parking to ensure payment of the hourly parking fees. The CRA would be responsible for capital expenses based on the percentage of spaces owned in both public parking garages, electrical expenses in the Deck (DJV will cover the electrical expenses in the Block public parking garage), the purchase, installation and maintenance of the parking pay stations, and the collection of revenue from the pay stations (both cash and electronic collections). Because both structures are new construction, CRA staff does not anticipate significant capital expenses (such as restriping of parking spaces, repair/ replacement of light fixtures, etc.) during the first three to five years of operation.

Parking Space Lease Agreement:

In order to accommodate the parking needs of retail employees within the Deck development, DJV has also proposed to enter into a separate agreement with the CRA to lease 25 public parking spaces at a rate of \$50 per month (\$1,250 per month or \$3,750 per quarter), with a 10 percent escalator at each 5 year renewal period. These leased spaces will be reserved for the

exclusive use of select retail employees. The remaining CRA-owned parking spaces will be available for use by the general public at an hourly charge, although the CRA would have the ability to lease up to 35 of the remaining public parking spaces under terms and conditions established by the CRA. Additionally, if the CRA is able to realize a minimum of \$1.00 per day per space, the CRA will realize public parking income of \$4,410/month or \$52,910/year. CRA staff anticipates that income will actually exceed this amount.

Under the proposal, DJV will begin the parking lease payments on August 1, 2014. This will generate \$3,750 in income to the CRA per quarter, which will cover the proposed DJV quarterly garage management fee.

Update of Meters/Pay Stations:

CRA staff is working with a vendor on a short-term lease of two parking pay stations/kiosks (one each for both the Deck and Block garages) while the City's Public Works Department prepares to issue a Request for Proposal (RFP) for new parking meters, including pay stations. It is the intent of CRA staff to request CRA Board approval to purchase pay stations and/or parking meters for CRA-owned parking spaces from the vendor selected through the RFP process. Until that time, the CRA will lease two pay stations to ensure parking controls exist for both the Deck and Block garages. The estimated cost to lease the work stations is approximately \$3,000 per month (\$9,000 per quarter).

Residential construction at the two developments is nearing completion, with a Temporary Certificate of Completion (TCO) anticipated in July for some units in both developments, with a CO issued by late July for all residential units. The build-out of some retail units is underway and will continue after the developments are opened to residents in late July/early August. The need for public parking will begin on August 1, 2014. CRA staff is seeking authorization from the CRA Board for the CRA Executive Director to negotiate and execute parking management and lease agreements of CRA-owned public parking spaces in Deck and Block developments on Gaines Street consistent with this agenda item and guidance provided by the CRA Board.

Options

1. Authorize the CRA executive director to negotiate and execute parking management and lease agreements of CRA-owned public parking spaces in Deck and Block developments on Gaines Street consistent with this agenda item and guidance provided by the CRA Board.
2. Do not authorize the CRA executive director to negotiate and execute parking management and lease agreements of CRA-owned public parking spaces in Deck and Block Developments on Gaines Street; provide alternate direction to staff.

Attachments/References

None

Administrative Content

**Agenda Item Details**

Meeting Jun 26, 2014 - CRA Board Meeting
Category 4. Policy Formation & Direction
Subject 4.03 Program and Project Updates -- Roxanne Manning, Tallahassee Community Redevelopment
Access Public
Type

Public Content

Verbal update.

Administrative Content
