



CITY OF TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY
MEETING AND PUBLIC HEARING AGENDA

October 29, 2015, 9:30 AM
City Commission Chambers
City Hall, Second Floor

- I. **CALL TO ORDER**
9:30 AM

- II. **CITIZEN INPUT ON AGENDA ITEMS**

- III. **CONSENT ITEMS**
 - 3.01 Approval of \$42,499.30 Commercial Façade Improvement Grant for 204 South Monroe Street – Sherri Curtis, Principal Planner

- IV. **POLICY FORMATION AND DIRECTION**
 - 4.01 Approval of FY 2016 Greater Frenchtown/Southside Capital Project Line Items – Rick McCraw, CRA Program Director
 - 4.02 Discussion and Direction Regarding Process for the Sale of Firestone, Bloxham Annex and 715 W Gaines Street Properties – Roxanne Manning, CRA Executive Director
 - 4.03 Update and Request for Direction Regarding Proposed Arts, Culture and Heritage Initiative and Utilization of Remaining Performing Arts Center Funds – Roxanne Manning
 - 4.04 Project Updates (no agenda materials) – Roxanne Manning

- V. **UNAGENDAED BUSINESS/SPEAKERS**

- VI. **CRA BOARD INFORMATION AND SHARING OF IDEAS**



Agenda Item Details

Meeting	Oct 29, 2015 - CRA Board Meeting
Category	3. Consent Items
Subject	3.01 Approval of \$42,499.30 Commercial Façade Improvement Grant for 204 South Monroe Street -- Roxanne Manning, Tallahassee Community Redevelopment Agency
Access	Public
Type	Action (Consent)
Fiscal Impact	Yes
Dollar Amount	42,499.30
Budgeted	Yes
Budget Source	FY16 DD Commercial Façade Grant Program
Recommended Action	Option 1 - Approve the application for grant funds in the amount of \$42,499.30 for the construction of façade improvements to the building located at 204 South Monroe Street. Authorize CRA staff to enter into a commercial façade agreement with the applicant/property owner.

Public Content

For more information, please contact: Sheila Williams, Tallahassee CRA, 850-891-8355

Statement of Issue

On June 28, 2006, the Community Redevelopment Agency (CRA) Board approved the guidelines for the Greater Frenchtown/Southside Community Redevelopment Area (GFS) Commercial Façade Improvement Grant Program, providing one-to-one matching grants of up to \$50,000 for facade improvements on commercial structures. This program was extended to the entire Downtown District Community Redevelopment Area (DT District) on October 19, 2009.

On October 2, 2015, CRA staff received a commercial façade improvement grant application from 204 South Monroe Street, LLC, the property owner, for exterior renovations of the building located at 204 South Monroe Street. The applicant/owner plans to conduct various exterior renovations to the building façade. The lowest bid for the qualified facade items is \$84,998.60 for which the applicant is requesting a \$42,499.30 matching grant.

Recommended Action

Option 1 - Approve the application for grant funds in the amount of \$42,499.30 for the construction of facade improvements to the building located at 204 South Monroe Street. Authorize CRA staff to enter into a commercial facade agreement with the applicant/property owner consistent with this agenda item and CRA Board direction.

Fiscal Impact

On September 24, 2015, the FY 2016 DT District Commercial Façade Grant Program was approved for \$150,000 by the CRA Board, Policy Item 7.01. CRA staff is working with the Budget Office to open the FY2016 Downtown District Commercial Façade Grant Project. If this application is approved by the CRA Board, the remaining balance in the project will be \$107,500.70. The Office of Budget and Policy has reviewed this agenda item and concurs that it meets budget guidelines.

Supplemental Material/Issue Analysis

History/Facts & Issues

The CRA Board approved the GFS Commercial Façade Improvement Grant Program on June 28, 2006. In 2009, the program was extended to include the DT District. The façade program is designed to assist property owners and tenants in restoring or renovating the exterior of their buildings, thereby reducing blighted influences and improving the area's physical characteristics, which will lead to increased occupancy and property values within the redevelopment area. To date, 39 commercial facade projects have been approved, 32 have been completed and 7 are under construction, providing nearly \$1.5 million in grant funds for redevelopment projects that have had total estimated costs approximately \$9.8 million.

The program provides eligible commercial property owners or tenants with up to \$50,000 in grant funds for commercial facade improvements. The grant funds are provided in the form of a forgivable loan, with a requirement that the property owner or tenant provide a minimum match of 100 percent. The grant/loan is forgiven over a five-year prorated period, at a zero percent interest rate, provided the property is maintained as commercial. Other major components of the program include:

- a. The CRA Executive Director approves grant requests of \$10,000 or less.
- b. The CRA Board approves grant requests in excess of \$10,000.
- c. Properties must be maintained as commercial for five years following completion of construction. If they are not maintained as commercial, any outstanding balance of the prorated deferred loan must be repaid to the CRA.
- d. Multi-year applications for the same property are possible, but total grant funds for any one property cannot exceed \$50,000.
- e. A grant in excess of \$10,000 is secured by a mortgage and subject to restrictive covenants; a grant of less than \$10,000 is subject to restrictive covenants.
- f. Applicants are required to submit three bids from licensed contractors; funding awarded an applicant will be based on the lowest bid.
- g. Technical assistance in preparing applications is available to all applicants.

The applicant/property owner, 204 South Monroe Street, LLC, submitted a grant application on October 2, 2015 for exterior renovations to the building located at 204 South Monroe Street. The grant-eligible exterior renovations consist of:

- Professional design and contractor expenses;
- New curved awnings
- Exterior facade lighting including wall scones
- Stucco repairs
- Building signage
- New building façade travertine tile
- New windows
- New doors and hardware

The lowest bid for the qualified facade improvements is \$84,998.60 for which the applicant is requesting a \$42,499.30 matching grant. No interior or other building improvements are part of this renovation. A summary of the exterior renovations is described in Attachment 1.

If the CRA Board approves the application, the owner/applicant will enter an agreement with the CRA and will be required to maintain the property as a commercial structure for five years. The grant will be treated as a five-year, zero interest deferred loan, and will be subject to an agreement and restrictive covenants, including a provision that will require the property to continue as a taxable entity during the duration of the agreement. The amount of the deferred loan will be amortized in monthly installments over a 60-month (five year) period, beginning one month after certification of completion by the City Building Inspector, or as agreed to with the CRA Executive Director, and with CRA staff verification that the work was completed as proposed in a satisfactory and professional manner.

Outstanding Grant Application Issues and Staff Recommendation

The required proof of insurance has not been provided as of the date this agenda item was prepared. Applicant is aware of the insurance requirement and is working to acquire the certificates. Staff recommends approval of a \$42,499.30 commercial

façade grant application with the condition that the required insurance certificates are received prior to execution of a façade agreement with the applicant.

Options

1. Approve the application for grant funds in the amount of \$42,499.30 for the construction of facade improvements to the building located at 204 South Monroe Street. Authorize CRA staff to enter into a commercial facade agreement with the applicant/property owner consistent with this agenda item and CRA Board direction.
2. Do not approve the application; provide staff with alternate direction.

Attachments/References

1. Application Summary – 204 South Monroe Street

[Attachment 1.pdf \(1,480 KB\)](#)

STAFF REVIEW/APPLICATION SUMMARY

CITY OF TALLAHASSEE COMMUNITY REDEVELOPMENT AGENCY
DOWNTOWN DISTRICT COMMUNITY REDEVELOPMENT AREA
COMMERCIAL FACADE IMPROVEMENT PROGRAM

I. APPLICANT AND BUSINESS INFORMATION

Date of Application: October 2, 2015

Name of Applicant: R. Phil Blank

Name of Business: 204 South Monroe Street, LLC

Business Address: 204 South Monroe Street, LLC

Telephone Number: (850) 508-4683 Fax Number: N/A

E-mail Address: phil@blanklaw.com

Type of Business: Office Parcel ID Number: 21-36-25-174-1555

This property is located in the: DOWNTOWN DISTRICT COMMUNITY REDEVELOPMENT AREA

Zoning Designation (this section must be reviewed by the Land Use and Environmental Division of the City's Growth Management Department, 850-891-7100):

Use is allowable: X Use is not allowable:

Growth Management Planner/Reviewer and Date: Cindy Smith, 10/5/15

Are there any liens or existing code violations on the property? Yes No X

Code Enforcement / Reviewer and Date: Sherrie Ashline, 10/5/15

II. PROPERTY OWNER INFORMATION (if different from Applicant)

Name of Owner: NA

Telephone Number: Same As Indicated Above Email: See As Indicated Above

III. PROJECT FINANCING INFORMATION

Total Project Cost of Eligible Facade Improvements: \$84,998.60

Amount of Grant Funds Requested: \$42,499.30

Estimated Cost of All Renovations: \$84,998.60

Anticipated Number of Temporary construction jobs: 20

Anticipated Number of Permanent jobs to be created: 0

PROJECT SUMMARY

The existing two story building is located at 204 South Monroe Street and is utilized as a non-medical office use. At this time, the first floor tenant space is vacant.

The property owner would like to make exterior improvements in an effort to solicit prospective tenants. The property owner intends to install new curved awnings, exterior facade lighting including wall scones, stucco repairs, add building signage, update portions of the building façade with travertine tile and install new windows, new doors and new hardware (See proposed renderings). The low bid for the facade grant eligible renovations is \$84,998.60 for which the applicant requested a \$50,000 matching grant. The anticipated cost of the exterior renovations is \$84,998.60. A detailed listing of the three bids can be found on Page 9.

The property owner, 204 South Monroe Street, LLC, signed the application, agrees to the proposed improvements and agrees sign the Restrictive Covenants as well as the other legal documents accompanying the grant within 30 days of the CRA Board approval or the application is null and void.

IV. ADDITIONAL SUBMISSIONS (required)

- Color photographs of the existing building exterior. Need to show all sides of the building, with emphasis on the area to be improved;
- Sketches or conceptual drawings of the project when completed;
- Three (3) bids from licensed contractors for all qualifying work items;
- A legal description of the property;
- Proof of property ownership or, if a tenant, a copy of the lease;
- Tenants must provide written documentation verifying the property owner approves the proposed enhancements and will sign the restrictive covenants and/or mortgage;
- Documentation from all lending institutions verifying all mortgage payments on the property are current and that the lending institutions will provide updated information upon request by the Community Redevelopment Agency; 10/13/15 There is no outstanding mortgage on the property. The applicant provided a copy of a Release of Mortgage document;
- Documentation demonstrating all property tax payments are current;
- Certificate of Appropriateness issued by the Tallahassee-Leon County Architectural Review Board is attached, if appropriate; 10/13/15 N/A//STW
- Proof of property insurance ó 10/13/15 Applicant to provide Certificate of Insurance with sufficient limits listing the COT and CRA as Certificate Holder and Additional Insured, prior to distribution of reimbursement funds//STW

CRA Staff review was completed on: _____

Recommend: Approval Denial Other (explain below)

Sherri Curtis
Name (print)

Signature

CRA Program Director or Principal Planner review was completed on: _____

Recommend: Approval Denial Other (explain below)

Richard McCraw or Sherri Curtis
Name (print)

Signature

CRA Executive Director review was completed on: _____

Recommend: Approval Denial Other (explain below)

Roxanne M. Manning
Name (print)

Signature

Before Photos



Front building elevation along South Monroe Street

“Before” Photos



College Avenue building elevation ó 204 South Monroe Street

Proposed After Renditions



Front building elevation along South Monroe Street

Proposed After Renditions



Proposed building rendition along College Avenue

**Listing of Bids for Qualified Work Items
204 South Monroe Street**

Work Item	Subcontractor		
General Conditions	Oliver Renovations \$11,269.00	Oliver Renovations \$11,269.00	Oliver Renovations \$11,269.00
Architectural	Shuler Architecture \$ 4,000.00	Shuler Architecture \$ 4,000.00	Shuler Architecture \$ 4,000.00
Demolition	Great Southern Demolition \$ 5,500.00	Absolute Demo, Inc. \$ 6,200.00	Anderson \$ 6,435.00
Stucco Installation	Fleck Exteriors \$10,768.00	Anderson \$12,400.00	Bill James Construction \$15,922.00
Tile Installation	Link Floors \$15,914.00	Flooring by Primo \$ 18,000.00	The Floor Store \$ 18,400.00
Exterior Painting	John the Painter \$5,560.00	Universal Coating \$5,575.00	CL Richards \$12,800.00
Metal Pan Awnings	Awnings Above \$10,761.00	Stream Line \$13,100.00	Capital Awnings \$13,872.00
Exterior Signs	Bill's Signs \$1,556.50	Signarama \$1,703.88	Apogee Signs \$2,972.00
Electrical	Metro Electrical Services \$8,425.00	RT Electric \$9,102.00	Mathers Electric \$9,318.52
Contractor's Overhead & Profit (OH&P)	\$11,245.00	\$11,245.00	\$11,245.00
TOTAL	\$88,998.60	\$92,594.88	\$106,233.52



Agenda Item Details

Meeting	Oct 29, 2015 - CRA Board Meeting
Category	4. Policy Formation & Direction
Subject	4.01 Approval of FY 2016 Greater Frenchtown/Southside Capital Project Line Items -- Roxanne Manning, Tallahassee Community Redevelopment Agency
Access	Public
Type	Action, Discussion
Fiscal Impact	Yes
Dollar Amount	700,000.00
Budgeted	No
Recommended Action	Option 1 - Approve funding for the FY 2016 Greater Frenchtown/Southside Community Redevelopment Area (GFS) capital projects as identified in this agenda item.

Public Content

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

Statement of Issue

At the September 24th City of Tallahassee Community Redevelopment Agency (CRA) Board meeting, the Board approved the Greater Frenchtown/Southside Community Redevelopment Area (GFS) Investment Plan, which contains four programs and six projects. With the exception of funding for Affordable Housing and Special Event Grants, which were pre-existing programs, the 2016 GFS Capital Budget needs to be updated to include projects and programs approved in the GFS Investment Plan. CRA staff is seeking CRA Board approval to fund the two programs and the first priority project in the table below as part of the FY 2016 GFS Capital Budget.

Table 1

Program/Project Name	Funding Amt.
Neighborhood Enhancement and Public Safety Program	\$150,000
Business Facility Improvement Grant Program	\$200,000
Frenchtown Entry Feature Project	\$350,000
Total	\$700,000

Funding these projects will leave a balance of approximately \$161,000 in uncommitted GFS FY 2016 CRA capital project funds. The commitment of the remaining funds will require CRA Board approval.

Recommended Action

Option 1 - Approve funding for the FY 2016 Greater Frenchtown/ Southside Community Redevelopment Area (GFS) capital projects as identified in this agenda item.

Fiscal Impact

Using the First-In-First-Out accounting process, the programs and project will be funded first from the FY 2015 GFS Master Project (#1500304) or from the GFS Inter-Fund Transfer Account if the FY 2015 GFS Master Project funds have been fully

committed. There are sufficient funds between the two accounts to cover the programs and projects recommended in this agenda item.

Supplemental Material/Issue Analysis

History/Facts & Issues

The CRA FY 2016 budget was adopted on September 24, 2015 during a public hearing. At the CRA Board meeting earlier on the same day, the CRA Board approved the GFS Investment Plan. This prevented including programs and projects from the GFS Investment Plan as part of the original CRA FY 2016 budget. When presenting the CRA FY 2016 budget for adoption, staff noted select programs and projects from the GFS Investment Plan would be presented to the CRA Board at a later date for funding.

The GFS Investment Plan approved by the CRA Board on September 24th contained the four programs and six projects listed in Tables 2 and 3, and described in more detail at Attachment 1. Two of the programs, Affordable Housing Rehabilitation and Special Events Grants have already been funded as part of the FY 2016 GFS Capital Budget. The review and selection process for the Special Events Grants for FY 2016 was completed and presented to the CRA in August and September. That program was funded at \$35,000 for 2016. The \$50,000 Event Grant program will be recommended as part of the FY 2017 budget, as directed by the CRA Board.

Table 2

Investment Plan (Annual) Programs	Funding Amt.
Neighborhood Enhancement and Public Safety Program	\$150,000
Affordable Housing Rehabilitation Program	\$300,000
Special Events Grants Program	\$50,000
Business Facility Improvement Grant Program	\$200,000

Table 3

Investment Plan 5-Year Projects	Funding Amt.
Large Project Funding	Up to \$1,000,000
Frenchtown Entry Feature Project	\$350,000
Southside Farmer's Market Project	Up to \$300,000
Bus Shelters Project	\$50,000
S. Monroe and Adams Business Corridor Project	Est. at \$800,000
FAMU Way to Magnolia Art District Project	\$80,000

Based on the 2015 Certified Tax Roll values from the Leon County Property Appraiser and the budget approved by the CRA Board, there is currently approximately \$861,000 in uncommitted FY 2016 GFS funds. Approving the \$700,000 in funding for the Neighborhood Enhancement and Public Safety Program, the Business Facility Improvement Grant Program and the Frenchtown Entry Feature Project will leave a balance of approximately \$161,000 in uncommitted funds for the remainder of the fiscal year.

Adding the Neighborhood Enhancement and Public Safety Program and the Business Facility Improvement Grant Program to the budget will include all the annual redevelopment programs from the GFS Investment Plan in the FY 2016 GFS Capital Budget. With the exception of the Affordable Housing Rehabilitation Program, these are programs that received the most public comment and recommended enhancements during the public workshops. Based on the level of public input, we anticipate great interest in these programs.

The only project recommended for inclusion in the budget is the Frenchtown Entry Feature. This project is recommended for inclusion because it is a project that will involve a lot of community input and comment, but one we should be able to complete within the fiscal year. If there are unexpended funds remaining from this project, they will be returned to the budget and used for the next project.

Staff recommends funding approval for the Neighborhood Enhancement and Public Safety Program, the Business Facility

Improvement Grant Program and the Frenchtown Entry Feature Project as outlined in the agenda item.

Options

1. Approve funding for the FY 2016 Greater Frenchtown/ Southside Community Redevelopment Area (GFS) capital projects as identified in this agenda item.
2. Provide staff with further guidance and direction on implementing programs and projects from the GFS Investment Plan.

Attachments/References

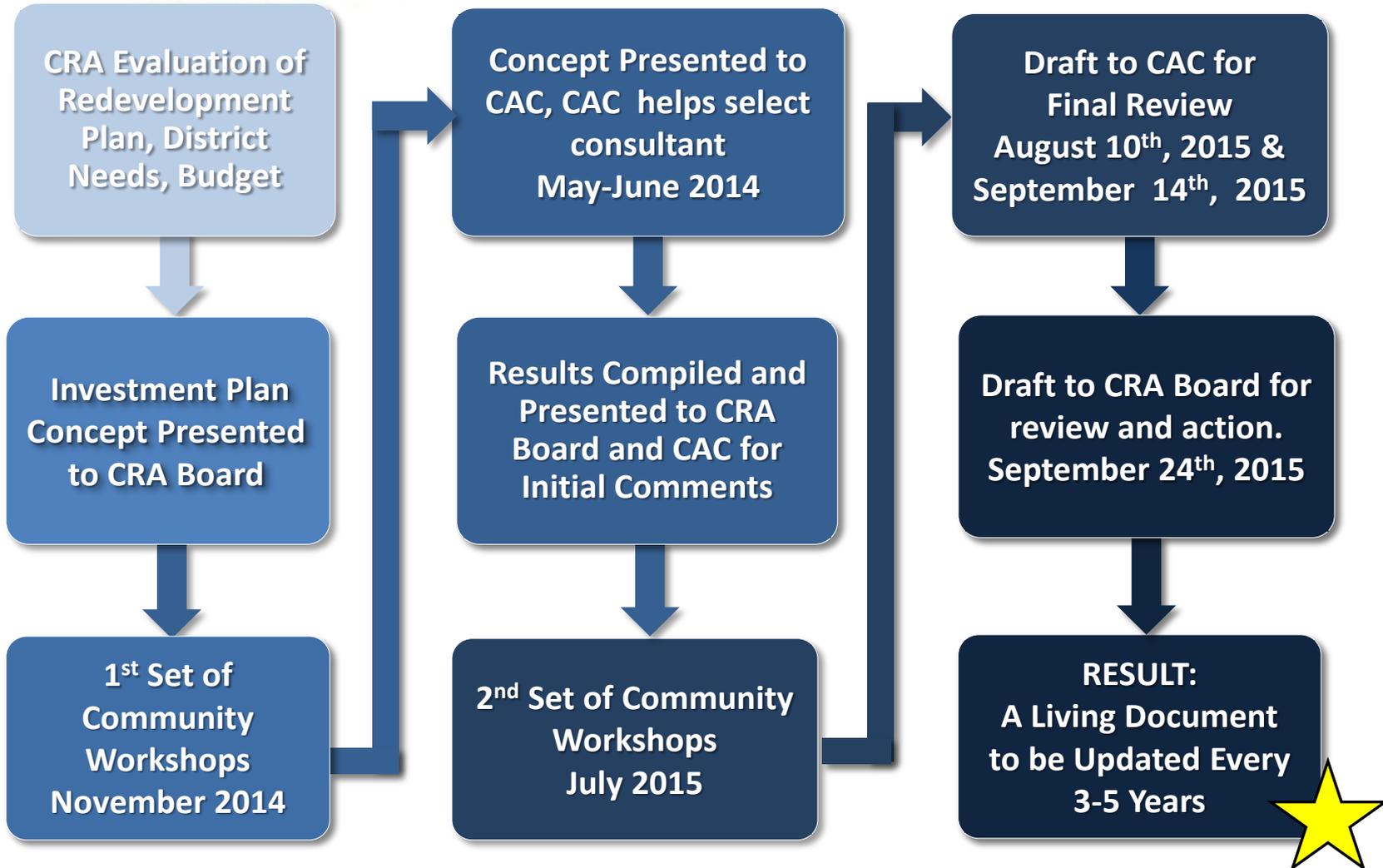
1. GFS Investment Plan Description
2. Current and Projected GFS FY 2016 Revenues and Expenses

[Attachment 1.pdf \(1,257 KB\)](#)

[Attachment 2.pdf \(824 KB\)](#)



Investment Plan Process



Investment Plan Programs

1	<p>Neighborhood Enhancement and Public Safety Program</p>	<p>Annual program to encourage neighborhoods to apply for public improvements through their Neighborhood Association.</p> <ul style="list-style-type: none"> • Encourages neighborhoods to create associations to represent them. • Non-profits may also apply for neighborhood based projects. • Neighborhood Associations may apply for up to \$30,000 for a specific neighborhood improvement such as an entry feature or street signs or a public safety project such as safety lighting. • Events are not eligible. • Newly formed Associations will be encouraged to join CONA. • Neighborhoods may apply once every four years. Disqualified if previous awards were not properly expended. • Applications will be accepted once a year with awards granted in July. • Improvements that enhance public safety will receive priority and may be granted without a Neighborhood Association if appropriate conditions are met. 	<p>\$150,000 year</p>
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Investment Plan Programs

2	Housing Rehab	<p>Annual program to assist with creation of high quality affordable housing.</p> <ul style="list-style-type: none"> • Identify and budget funds to be used for affordable housing rehabilitation and construction. • Prioritize owner occupied housing and family housing, when possible. • Funds will be managed by ECD staff as part of the affordable housing program. • CAC recommends that specific areas be targeted, when possible. 	\$300,000 year
3	Event Grants	<p>Annual program to facilitate events which bring people to CRA Districts to support businesses and increase awareness of area.</p> <ul style="list-style-type: none"> • Continue existing program for 2015/16 budget year. Increase funds to \$50,000 for 2016/17 budget year. • No funding for any events outside program process. 	\$50,000 year

Investment Plan Programs

4	<p>Business Facility Improvement Grant</p>	<p>Annual program to help small businesses improve the exterior of existing buildings and/or site.</p> <ul style="list-style-type: none"> • For structures with an estimated value at completion of less than \$2 million. • Grants up to \$50,000. • Building owner must be applicant or co-applicant. • Combines existing Painting and Façade grants, adds ability to do renovations and/or site improvements such as paving and landscaping. • First \$10,000 does not require a match, then building owner must match funds one for one. Example: CRA grants \$1, business owner provides \$1. • Businesses may apply only once. New businesses (based on business license) may apply. Previous grantees may apply again after 5 years. • Property must be taxable. • Available throughout the year until funds are expended. • Interior or removable fixtures, fittings and equipment (FFE) are not eligible. • Automotive and drive through businesses not eligible if prohibited by zoning code. Alcohol primary sales are not eligible. • Painting cost limited to \$5000 grant, no match required. 	<p>\$200,000 Year</p>
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Investment Plan 5 Year Project Priority

1	<p>Large Project Funding</p>	<p>Goal: To attract large projects which improve property values, attract businesses; create private investment and jobs through construction spending.</p> <ul style="list-style-type: none"> • For projects with estimated value at completion of greater than \$2 million. • Must meet standards of Redevelopment Plan, Land Development Regulations, CRA priorities and applicable performance standards. • Funding priority is <u>outside</u> Gaines Street/College Town corridor unless there is a community benefit as determined by CRA Board. 	<p>Up to \$1,000,000 Per year or more based on budget and project.</p>
2	<p>Frenchtown Entry Feature at Macomb and Tennessee</p>	<p>Goal: To create a prominent entry feature for Frenchtown at Tennessee and Macomb.</p> <ul style="list-style-type: none"> • Entry feature to be selected by FTCAC, Frenchtown delegates from concepts provided by Design Works. • Replace existing street lights with new ones where needed. • Add landscaping and signage, etc. 	<p>Up to \$350,000</p>

Investment Plan 5 Year Project Priority

3	<p>Southside Farmers Market</p>	<p>Goal: To provide a neighborhood center and increase access to fresh foods.</p> <ul style="list-style-type: none"> • Identify responsible entity. • Property in highly visible area, • Easily accessible from transit routes. 	<p>Up to \$300,00 for market improvements</p>
4	<p>Bus Shelters</p>	<p>Goal: A multi-year program to provide enhanced bus shelters that have a unique design for Frenchtown and Southside.</p> <ul style="list-style-type: none"> • Work with StarMetro to identify locations where shelters are needed. • Star Metro may provide the basic shelter and CRA can pay for enhancements. 	<p>\$50,000 Phase 1</p>

Investment Plan 5 Year Project Priority

5	S. Monroe and Adams Business Corridor	<p><u>Goal:</u> To create improvements on S. Monroe/Adams Business corridor,</p> <ul style="list-style-type: none"> • Work with Public Works, Star Metro and Planning to design and install improvements to South Monroe between Magnolia and Orange Ave. • Includes trees, medians, etc. 	<p>Estimated \$800,000,</p>
6	FAMU Way to Magnolia Art District	<p><u>Goal:</u> To enhance the character of the South Monroe corridor and create an attraction for visitors and new businesses.</p> <ul style="list-style-type: none"> • Funding for professional art on S. Monroe. • Provide lighting with each project to enhance nighttime security. • Property owner must be co-applicant. • Approval of art through COCA. 	<p>\$80,000</p>

Updated GFS FY 21016 Revenues and Expenses

Estimated FY 2016 Revenues

Tax Increment ¹	\$2,134,353
O'Connell Land Sale ²	\$200,000
Deck Garage Parking Lease Payments ³	\$15,000
Short-Term Parking Revenue ⁴	\$18,000
Loan Payments	<u>\$57,933</u>
Total	\$2,425,286

Prior Year Available Funds

FY 2015 Master Project Funds ⁵	\$543,727
Reserves	<u>\$191,627</u>
Total	\$735,354

Total Estimated Revenues	\$3,160,640
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Reserve Funds

\$200,000 O'Connell Land Sale	\$200,000
FY 16 Garage Parking Lease	\$15,000
FY 16 Short-Term Parking Revenue	\$18,000
FY 16 Loan Payments	\$57,933
Prior Year Reserves	<u>\$191,627</u>
Total	\$482,560

Funds Available for Expenses	\$2,678,080
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Expenses

Operational Expenses

Salaries/Benefits	(\$344,720)
Operational	(\$120,513)
EMS MSTU Refund to Leon County	<u>(\$82,285)</u>
Total	(\$547,518)

Capital Expenses - Approved

Block and Deck Grant Payment	(\$582,000)
Block and Deck Public Garage Expenses	(\$37,800)
Maintenance and Utilities	(\$12,000)
Pay Station Maintenance and Related	(\$3,400)
DJV Parking Management Expense	(\$14,400)
Garage Insurance (Property and Liability)	(\$8,000)
FY 2016 Promotional/Special Events Grant	(\$35,000)
Shelter and RCC Site Work	(\$300,000)
Property Management	(\$15,000)
Affordable Housing	<u>(\$300,000)</u>
Total	(\$1,269,800)

Remaining Funds	\$860,762
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Remaining Funds	\$860,762
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Capital Expenses - Recommended

Neighborhood Enhancement/Public Safety	(\$150,000)
Business Facility Improvement Grant	(\$200,000)
Frenchtown Entry Feature	(\$350,000)
Total	(\$700,000)

Remaining/Uncommitted Funds	\$160,762
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Notes:

1. Based on LCPA Final Tax Values on October 13, 2015.
2. Second-year payment Funds from sale of O'Connell property.
3. Long-term lease payments for 25 parking spaces in the Deck public garage.
4. Estimated income from public parking spaces in the Block and Deck garages.
5. Projection as of September 24, 2015.

10/15/2015



Agenda Item Details

Meeting	Oct 29, 2015 - CRA Board Meeting
Category	4. Policy Formation & Direction
Subject	4.02 Discussion and Direction Regarding Process for the Sale of Firestone, Bloxham Annex and 715 Gaines Street Properties -- Roxanne Manning, Tallahassee Community Redevelopment Agency
Access	Public
Type	Action, Discussion
Fiscal Impact	No
Recommended Action	Option 1 – Provide staff with direction regarding the preferred process for the sale of the Firestone, Bloxham Annex and 715 Gaines Street properties.

Public Content

For more information, please contact:

Statement of Issue

On November 19, 2014, the CRA and FSU executed an agreement to complete a significant exchange of properties. The CRA agreed to exchange the O'Connell site at 402 W. Gaines Street for the Firestone and Bloxham Annex properties at 409 and 309 E. Gaines St, respectively, along with another parcel at 715 W. Gaines Street and other considerations.

The exchange would allow FSU to develop the O'Connell site as part of their larger Arena District project, while the CRA would assist with the redevelopment of the Firestone/Bloxham Annex properties to ensure the redevelopment would support and enhance the Cascades Park project. Following the execution of the contract, CRA and Planning staff began initial studies on possible redevelopment options for the properties in preparation for a future RFP.

Following the execution of the agreement, the State of Florida began the process of resolving a known title deficiency on the Bloxham site. Due to the presence of multiple heirs, it was expected the process would take several months. While that process is still underway, it is nearing resolution.

On October 2, 2015, the CRA received an unsolicited Letter of Intent (LOI) from North American Properties (NAP) to purchase the Firestone, Bloxham Annex properties, along with the 715 W. Gaines Street property. The LOI for the Firestone and Bloxham parcels offered \$4,080,000 for the construction of a Class A Mixed Use Urban Facility supporting the community investment in Cascades Park (Attachment 1). The LOI also outlined several important commitments related to the redevelopment of the property which will be discussed in detail in the following section. Based on several current factors including potential future interest rate increases and a high level of development interest, CRA staff recommends that the CRA Board proceed with identification of options for the redevelopment of the Firestone and Bloxham properties. This agenda item seeks direction on the CRA Board's preferred process for addressing the sale of these properties.

Firestone Bloxham Properties

CRA staff recommends the Board consider two procedural options for executing the sale and redevelopment of the Firestone and Bloxham Annex properties:

Process 1: The Board directs staff to negotiate with North American Properties to further develop the concept for the

site and develop a Purchase and Sale Agreement. After the final development concept has been reviewed by the CRA Board and the terms of the Purchase and Sale Agreement identified, CRA staff would issue a Notice of Intent to Sell, and advertise the property for 60 days with the intent of soliciting bids from additional developers. Following the 60 day advertisement period, a committee would evaluate all of the offers and return to the CRA Board with a ranking and recommendation for sale.

Process 2: The Board directs staff to immediately develop and issue an RFP detailing the Agency's requirements for the purchase and development of the properties and providing 90 days for the submittal of bids. Following the 90 day period, a committee would evaluate the proposals and return to the CRA Board with a ranking and recommendation for sale. If the Board selects this option, staff will develop the terms of the RFP and bring back those details at the December 10, 2015 CRA Board meeting for review and action. The RFP would be issued in January 2016.

715 Gaines Street

The LOI from NAP for 715 W. Gaines Street (Attachment 2) offered to purchase the property from the CRA for \$770,000, which is the value of the property in the Exchange Agreement between the CRA and the State of Florida. NAP already has the two parcels on either side of 715 W. Gaines Street under contract for redevelopment as mixed-use student housing. Purchasing the property at 715 W. Gaines Street would enable NAP to develop all three properties. For this reason, staff recommends the CRA Board authorize staff to negotiate a Purchase and Sales Agreement (PSA) with NAP for 715 W. Gaines Street. In accordance with 163.380, FS, the CRA will have to advertise any proposed sale of the property for at least 30 days. This would give other parties interested in purchasing 715 W. Gaines Street an opportunity to review any proposed PSA with NAP and provide an offer that exceeds the NAP proposal. The CRA Board would have the final approval decision regarding the execution of a PSA for 715 W. Gaines Street. This recommendation is discussed in more detail in the body of this agenda item.

Recommended Action

Option 1 - Provide staff with direction regarding the preferred process for the sale of the Firestone and Bloxham Annex properties.

Option 3 - Authorize staff to negotiate a Purchase and Sales Agreement with North American Properties for 715 W. Gaines consistent with the terms of this agenda item and CRA Board direction.

Fiscal Impact

None at this time.

Supplemental Material/Issue Analysis

History/Facts & Issues

On November 19, 2014, the CRA and FSU executed an agreement to complete a significant exchange of properties. The CRA agreed to exchange the O'Connell site at 402 W. Gaines Street for the Firestone and Bloxham Annex properties at 409 and 309 E. Gaines St, respectively, along with another parcel at 715 W. Gaines Street and other considerations. The LOI also included a Developer Qualification Brochure which is included as Attachment 3.

Based on several factors including potential interest rate increases and a high level of development interest, CRA staff recommends that the CRA Board proceed with identification of options for the redevelopment of these important properties.

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 eventual sale of the 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. Per the terms of the exchange agreement with the State, the funds from the eventual sale of 715 W. Gaines Street will be used for site development 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.

The Letter of Intent to Purchase – Firestone and Bloxham Annex

On October 2, 2015, the CRA received an unsolicited Letter of Intent (LOI) to purchase the Firestone, Bloxham Annex properties, along with the 715 Gaines Street property. The LOI for the Firestone and Bloxham parcels offered \$4,080,000 for the construction of a Class A Mixed Use Urban Facility supporting the community investment in Cascades Park (Attachment 1). The LOI also outlined several important commitments by the developer related to the redevelopment of the property, as follows:

- A commitment to work with the City and community to program and establish facilities within the proposed project to honor the students who were arrested and held in the Leon County Jail and related events which occurred between February and May 1960.
- A commitment to work with the City and CRA to design a green room/multi-purpose facility within the project to facilitate use of the Cascades Amphitheater. In addition, the facility could potentially be designed to accommodate a black box theater, an art gallery or related uses.
- An acknowledgement the City and CRA desire to recognize certain architectural features of buildings located on the property including a commitment to work with the City to incorporate design guidelines and certain areas within the project that will replicate the design of said buildings.
- An acknowledgement there are Live Oak trees on the property and a commitment to work with the City and CRA to address the presence of said trees in the Mixed Use Urban Facility.

CRA Options for Sale and Redevelopment of the Firestone and Bloxham Properties

The goal of either process is to solicit detailed proposals that address sale, use and design considerations, giving both the Board and the public detailed information regarding the project. The Board has two procedural options for executing the sale and redevelopment of these properties:

Process 1: The Board directs staff to negotiate with North American Properties to further develop the concept for the site and develop a Purchase and Sale Agreement. After the final development concept has been reviewed by the CRA Board and the terms of the Purchase and Sale Agreement identified, CRA staff would issue a Notice of Intent to Sell, and advertise the property for 60 days with the intent of soliciting bids from additional developers. Following the 60 day advertisement period, a committee would evaluate all of the offers and return to the CRA Board with a ranking and recommendation for sale. The proposals would include developer's qualifications and experience, the details of the offer to purchase, plus use and design information such as site plans and building elevations.

Pros:

- Detailed negotiation of project establishes a baseline for subsequent proposals.
- The 60-day notice period will enable other potential developers to review the proposed development agreement with NAP and possibly prepare a proposal that exceeds the proposed agreement with NAP.

Cons:

- Details of negotiated project are public prior to submittal of competing projects. This may prevent other developers from submitting a higher bid or substantially different project.
- Negotiations followed by NOI may result in a longer process.
- Changes in market conditions, such as increases in interest rates, may affect the development potential of the properties.

Process 2: The Board directs staff to immediately develop and issue an RFP detailing the Agency's requirements for the purchase and development of the properties and providing 90 days for the submittal of bids. Following the 90 day period, a committee would evaluate the proposals and return to the CRA Board with a ranking and recommendation for sale. If the Board selects this option, staff will develop the terms of the RFP and bring back those details at the December 10, 2015 CRA Board meeting for review and action. The RFP would be issued in January 2016. The proposals would include developers qualifications and experience, the details of the offer to purchase, plus use and design information such as site plans and building elevations.

Pros:

- This is a simpler process.

- While the proposed purchase price and basic components of the NAP LOI are public, the details are unknown until the formal submittal, as with other developers.

Cons:

- Changes in market conditions, such as increases in interest rates, may affect the development potential of the properties.

Coordination with the Arts, Heritage and Cultural Initiative

It is important to note that during the coming months the CRA Board will be exploring the use of the Tourist Development Bed Tax Funds for the provision of arts, heritage and cultural uses. One or more of these uses may be included in or near the redevelopment of the Firestone Bloxham Annex sites. Based on the direction of the CRA Board, staff will coordinate the intersection of these two important projects with the intent to provide the best solution for both efforts.

Important Redevelopment Considerations

Due to the prominent location of the Firestone and Bloxham properties, the presence of existing buildings of local interest, the topography of the site and other factors, staff recommends both processes include design and development requirements. These requirements would be included in either process. All submittals would be expected to address the following:

- A mixed-use project including;
 - for sale, market rate residential housing, utilizing town houses and /or flats,
 - entertainment and commercial uses that address and support Cascades Park and potentially create a new destination in the downtown area,
 - consideration of a possible hotel or inn,
 - cultural uses, as directed and supported by the CRA, City and County.
- The project design shall take into consideration the specific topography of the Park and the view shed generated by same. Whenever possible, the design of the project shall protect and enhance the view shed both into and from the Park.
- A commitment to work with the City to include and appropriately utilize the Waterworks facility, if possible. At a minimum the design of the proposed project shall recognize the presence of the Waterworks and forego any design elements that may impede or impair the potential use of the Waterworks.
- A commitment to work with the City, County and community to create a memorial to honor the students who were arrested and held in the Leon County Jail and related events which occurred between February and May 1960. The memorial may be a plaza or a three dimensional sculpture. The proposal would identify the location, general size and estimated cost of the memorial.
- An agreement to work with the City to address the presence of the two, white art modern buildings facing Gaines Street. Reuse of one or both of the buildings is preferred, if physically and fiscally feasible.
- A commitment to work with the appropriate entities, including the City, County, TDC and CRA to design a green room/multi-purpose facility within Cascades Park or the proposed project to facilitate use of the Cascades Amphitheater. In addition, the facility could potentially be designed to accommodate a black box theater, event space, art gallery or related uses. Additional direction will be provided based on the CRA Board's direction on the use of TDC/PAC funds.
- A requirement to relocate or reconstruct, if possible, the tower of the old jail building located on the property. The tower may be included in the proposed memorial described in item #1, or used as a design element in the general project.
- An agreement to work with the City to address the presence of large live oak trees on the Bloxham property, if physically possible and fiscally reasonable.

Public Involvement

Due to the prominence of this redevelopment and its intersection with the Arts, Heritage and Cultural Initiative, staff will develop an appropriate format for receiving public comment. This may include a web survey, a public workshop or other method(s). Staff will report to the CRA Board for comment and direction prior to initiating the process.

CRA Board Direction

Based on CRA Board direction, staff will proceed with the selected process and return to the CRA Board with detailed updates and/or agenda items for further action.

The Letter of Intent to Purchase – 715 W. Gaines Street

The property at 715 W. Gaines Street is currently owned by the State and is used by FSU as a testing center by FSU's School of Social Work. The property is part of the exchange of properties that will be provided to the CRA upon closing on the sale of the O'Connell property. The property is located on the south side of Gaines Street along an area that had been developed by NAP as the Block and Deck developments, and Block "C" next to the Deck that is currently under construction. The property is located between two privately-owned properties that NAP has under contract and plans to construct as mixed-use student housing with ground-floor retail, similar to existing developments on the south side of Gaines Street. NAP has offered to purchase the property from the CRA for \$770,000, which is the value of the property in the Exchange Agreement between the CRA and the State of Florida. Purchasing the property at 715 W. Gaines Street would enable NAP to develop all three properties.

Staff believes the strongest redevelopment potential of 715 W. Gaines Street is assemble the parcel with adjacent parcels to create a site that can take advantage of a larger development pad. For this reason, staff believes the offer from NAP offers the best opportunity to redevelop the combined properties at the highest and best use. Other developers may be willing to offer more to purchase the property, but without a larger redevelopment site the property will not be developed at the highest and best use.

If staff is allowed to negotiate a PSA with NAP, there would still be an opportunity for other developers to provide a development proposal for CRA consideration prior to executing the PSA with NAP. In accordance with 163.380, FS, the CRA is required to notice the proposed sale, lease or exchange of CRA-owned properties for at least 30 days. Upon completion of the PSA, and prior to approval of the PSA by the CRA Board, the intent to sell 715 W. Gaines Street would be advertised for at least 30 days. This would give other interested parties the opportunity to not only submit a proposal, but to examine the proposed PSA before developing and submitting their proposal. The PSA developed for the sale of this property would not take effect until the closing on the sale of the O'Connell property.

For the reasons discussed above, staff recommends the CRA Board authorize staff to negotiate a PSA with NAP for 715 W. Gaines Street. The PSA would have to be approved by the CRA Board.

Options

1. Provide staff with direction regarding the preferred process for the sale of the Firestone and Bloxham Annex properties.
2. Provide staff with other direction regarding the sale and development of the Firestone and Bloxham Annex properties.
3. Authorize staff to negotiate a Purchase and Sales Agreement with North American Properties for 715 W. Gaines consistent with the terms of this agenda item and CRA Board direction.
4. Provide staff with other direction regarding the sale and development of 715 W. Gaines Street.

Attachments/References

1. NAP LOI – Firestone and Bloxham Properties
2. NAP LOI – 715 W. Gaines Street
3. Developer Qualifications Brochure

[Attachment 1.pdf \(603 KB\)](#)

[Attachment 2.pdf \(431 KB\)](#)

[Attachment 3.pdf \(3,447 KB\)](#)

NORTH AMERICAN PROPERTIES



-SOUTHEAST, INC.
Licensed Real Estate Broker

Via Hand Delivery

October 2, 2015

Ms. Roxanne Manning
Executive Director
City of Tallahassee Community Redevelopment Agency
City Hall
300 S. Adams Street, 4th Floor
Tallahassee, Florida 32301

RE: LETTER OF INTENT

Dear Ms. Manning,

This Letter will outline the terms under which North American Properties - Southeast, Inc. or its assigns ("Buyer") has interest in purchasing from you ("Seller") the Parcels of property known as "Firestone" and "Bloxham Annex" located at 319 and 409 East Gaines Street, respectively, in Tallahassee, Florida, as generally described and depicted on the attached Composite Exhibit "A" (collectively "East Gaines Property").

This Letter is presented to Seller by Buyer to facilitate the negotiation of a mutually acceptable Purchase and Sale Agreement ("PSA") on the following terms:

- | | |
|--|---|
| <u>EAST GAINES PROPERTY</u> | 319 and 409 East Gaines Street, Tallahassee, Florida. |
| <u>Buyer Name:</u> | North American Properties – Southeast, Inc., or its assigns . |
| <u>Name of Authorized Officer:</u> | Shawn R. McIntyre, Senior Vice President. |
| <u>Use of the West Gaines Property:</u> | Class A Mixed Use Urban Facility supporting the Community Investment in Cascades Park. |
| 1. <u>OFFER PRICE:</u> | Four Million Eighty Thousand Dollars.
(\$4,080,000) |
| 2. <u>TERMS:</u> | Buyer shall pay cash at Closing. |
| 3. <u>FIRST DEPOSIT:</u> | Buyer shall remit to the Escrow Agent a First Deposit of Twenty Five Thousand Dollars (\$25,000) within three (3) business days of receiving from the Seller a final and fully executed and approved PSA, and evidence to Buyer's satisfaction that Seller owns fee simple to the East Gaines Property. The First Deposit is fully refundable to Buyer if the PSA is terminated during the Due Diligence period. |
| 4. <u>SECOND DEPOSIT:</u> | Buyer shall remit to the Escrow Agent a Second Deposit of Twenty Five Thousand Dollars (\$25,000) within three (3) business days of Buyer electing to proceed with the transaction and waiving its right to terminate the PSA under the Due Diligence provision. The total Deposit under the Permit Period shall be Fifty Thousand Dollars (\$50,000) (First plus Second Deposit) and shall be non-refundable and |

Ms. Roxanne Manning
October 2, 2015
Page 2 of 4

paid to the Seller should the Buyer decide not to proceed with the transaction during the Permit Period. Should Buyer decide to proceed with the transaction, all Deposit monies plus earned interest shall be credited to the Buyer at the Closing.

5. **DUE DILIGENCE PERIOD:** One hundred eighty (180) days from the final execution date of the PSA. Buyer may terminate the PSA on or before the last day of the Due Diligence Period.
6. **PERMIT PERIOD:** Buyer will have One hundred eighty (180) days after the Due Diligence Period to obtain necessary governmental approvals to construct the intended project. During the Permit Period, Buyer, with Seller's cooperation, must diligently process applications for development and building permits.
7. **CLOSING:** Closing shall occur within Thirty (30) days after the expiration of the Permit Period. Closing Costs are to be paid as follows: Seller shall pay its proration of real estate taxes and assessments and Seller's own attorney's fees; the Buyer shall pay all remaining costs to close this transaction, except as provided in paragraph 9 below.
8. **CLOSING EXTENSIONS:** Buyer shall be entitled to Two (2) Sixty (60) day closing extensions by giving the Seller Ten (10) days written notice and by posting an additional Twenty Five Thousand Dollars (\$25,000) with the Escrow Agent (Closing Extension Deposit). The Closing Extension Deposit(s) shall be non-refundable but shall be credited to the Buyer against the Purchase Price at the Closing.
9. **BROKER:** Buyer is a licensed Florida Real Estate Broker but will not be paid a Real Estate Commission on this transaction. This location was presented to Buyer by Strong Properties, Inc. ("Strong"), a licensed Real Estate Company. Buyer has worked exclusively on this location with Strong. Seller shall be responsible for paying Strong a three (3) percent real estate commission due upon Closing of this proposed transaction.
10. **ESCROW AGENT:** Broad and Cassel. The Deposit shall be held in an interest bearing account. Broad and Cassel shall act as Escrow Agent and as Counsel for the Buyer.
11. Buyer acknowledges that between February and May 1960, many students were arrested and then held in the Leon County Jail (formerly located on the Property) for participating in a civil rights protest.

During the Due Diligence Period, Buyer will work with the City of Tallahassee and the local community to program and establish facilities within Buyer's proposed project to honor these students and the events which occurred in 1960.

12. During the Due Diligence Period, Buyer will work with the City of Tallahassee to design a green room/multi-purpose facility within Buyer's project to facilitate the increased use of the Amphitheater located in Cascades Park adjacent to the Property. In addition, such a facility could be multi-purposed to potentially accommodate a black box theater, an art gallery and the historical events noted above. Buyer and the City of Tallahassee will agree upon a construction timeline and cost allocation for the construction and use of the green room/multi-purpose facility.

Ms. Roxanne Manning
October 2, 2015
Page 3 of 4

13. Buyer acknowledges the desire of the City of Tallahassee to recognize certain architectural features of the buildings currently located on the Property. During the Due Diligence Period, the Buyer and the City of Tallahassee will work together to incorporate design guidelines and certain areas within Buyer's project that will replicate the design of these buildings.
14. Buyer acknowledges the presence of live oak trees on the Property. During the Due Diligence Period, the Buyer and City of Tallahassee will work together in addressing the presence of such trees in the design of the Mixed Use Urban Facility supporting the community's investment in Cascades Park.

This Letter of Intent will expire thirty (30) days after the City of Tallahassee obtains fee simple title to the Property or March 1, 2016, whichever occurs first in time.

This Letter of Intent is not contractually binding on either party. This Letter of Intent is only an expression of the basic terms and provisions to be incorporated into a written PSA and the parties shall not be bound unless and until the PSA is executed by the parties in form and content satisfactory to each party in its sole discretion. Upon your agreement with this Letter of Intent, Buyer will proceed to prepare the PSA and provide it to you within 20 calendar days of your execution of this letter.

I look forward to discussing this with you at your earliest convenience. Thank you.

Sincerely,



Shawn R. McIntyre
Senior Vice President
North American Properties – Southeast, Inc.

cc: William F. Butler
President
Real Estate InSync, LLC

Ms. Roxanne Manning
October 2, 2015
Page 4 of 4

Agreed to this _____ day of _____, 2015

City of Tallahassee Community Redevelopment Agency

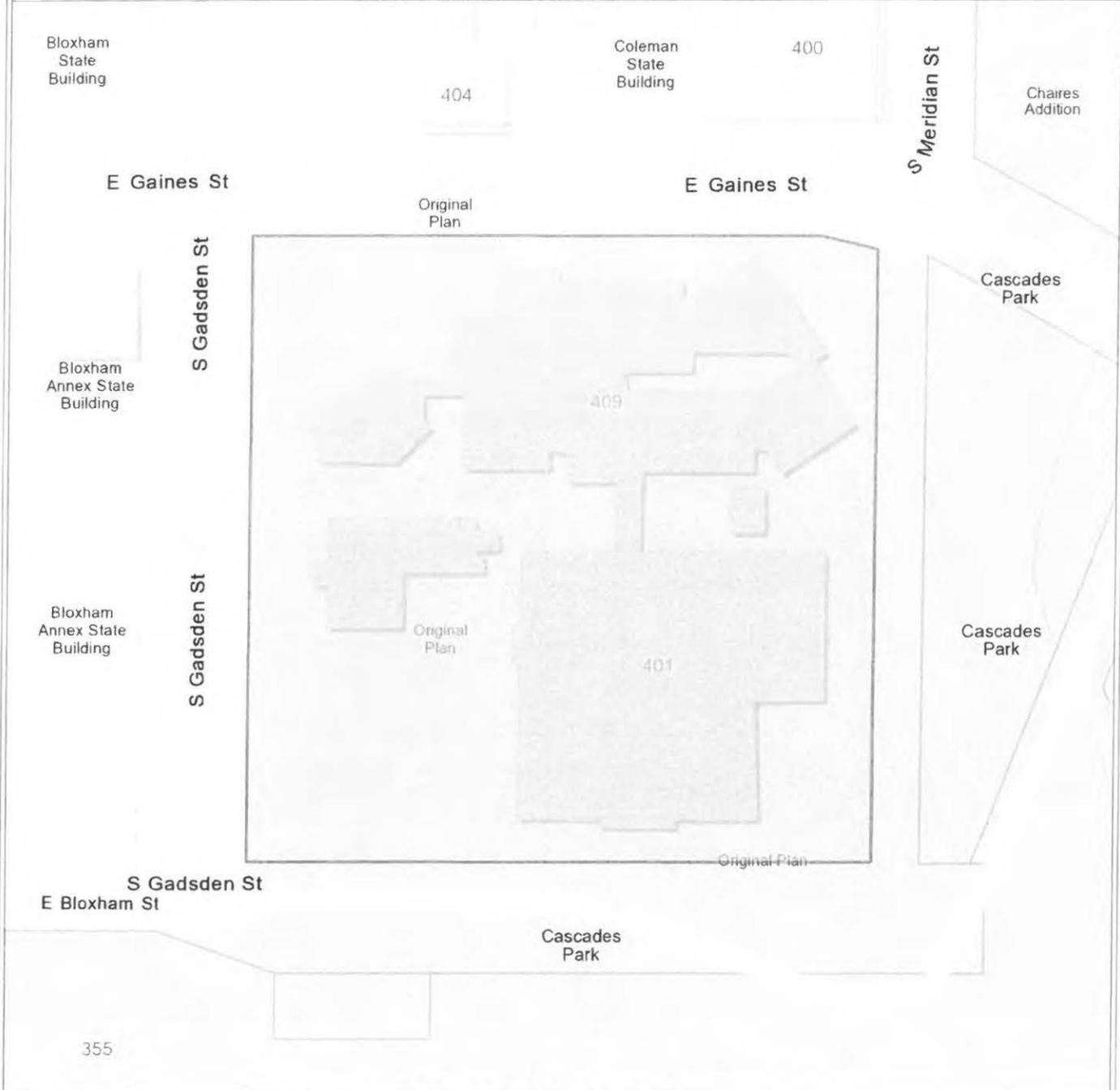
Roxanne Manning
Executive Director

315 S. Calhoun St
Tallahassee, Fl. 32301

Bert Hartsfield, CFA
Leon County Property Appraiser

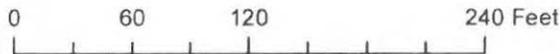


Phone - (850) 606-6200
www.leonpa.org



2136250301170

Legend	
Parcels	Hospital
River	Retail Center
Waterbody	Stadium
Buildings	School, College or University
Parks	City
	Unincorporated County



Date Drawn: Apr 16, 2014



DISCLAIMER: This product has been compiled from the most accurate source data from Leon County, the City of Tallahassee, and the Leon County Property Appraiser's Office. However, this product is for reference purposes only and is not to be construed as a legal document or survey instrument. Any reliance on the information contained herein is at the user's own risk. Leon County, the City of Tallahassee, and the Leon County Property Appraiser's Office assume no responsibility for any use of the information contained herein or any loss resulting therefrom.

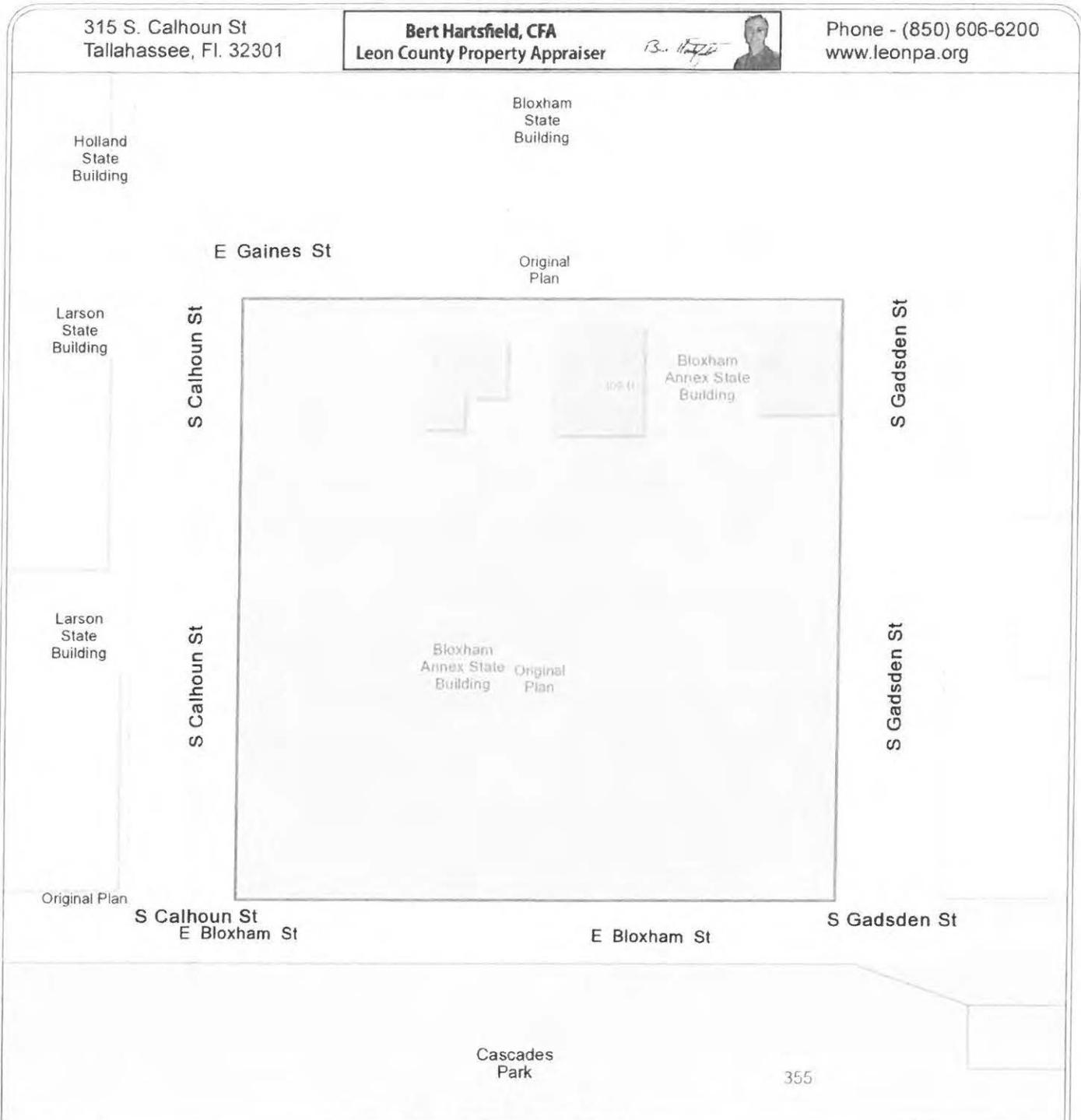
COMPOSITE EXHIBIT "A"
(FIRESTONE)

315 S. Calhoun St
Tallahassee, Fl. 32301

Bert Hartsfield, CFA
Leon County Property Appraiser

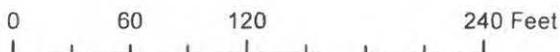


Phone - (850) 606-6200
www.leonpa.org



2136250311180

Legend	
Parcels	Hospital
River	Retail Center
Waterbody	Stadium
Buildings	School, College or University
Parks	City
	Unincorporated County



Date Drawn: Apr 16, 2014



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COMPOSITE EXHIBIT "A"
(BLOXHAM ANNEX)

NORTH AMERICAN PROPERTIES



-SOUTHEAST, INC.
Licensed Real Estate Broker

Via Hand Delivery

October 2, 2015

Ms. Roxanne Manning
Executive Director
City of Tallahassee Community Redevelopment Agency
City Hall
300 S. Adams Street, 4th Floor
Tallahassee, Florida 32301

RE: LETTER OF INTENT

Dear Ms. Manning,

This Letter will outline the terms under which North American Properties - Southeast, Inc. or its assigns ("Buyer") has interest in purchasing from you ("Seller") the Parcel located at 715 W. Gaines Street, Tallahassee, Florida, as generally described and depicted on the attached Exhibit "A" ("West Gaines Property").

This Letter is presented to Seller by Buyer to facilitate the negotiation of a mutually acceptable Purchase and Sale Agreement ("PSA") on the following terms:

- | | |
|--|---|
| <u>WEST GAINES PROPERTY</u> | 715 W. Gaines Street, Tallahassee, Florida. |
| <u>Buyer Name:</u> | North American Properties – Southeast, Inc., or its assigns. |
| <u>Name of Authorized Officer:</u> | Shawn R. McIntyre, Senior Vice President. |
| <u>Use of the West Gaines Property:</u> | Class A Mixed Use Retail/Student Housing Project with potential for Public Parking. |
| 1. <u>OFFER PRICE:</u> | Seven Hundred Seventy Thousand Dollars.
(\$770,000) |
| 2. <u>TERMS:</u> | Buyer shall pay cash at Closing. |
| 3. <u>FIRST DEPOSIT:</u> | Buyer shall remit to the Escrow Agent a First Deposit of Twenty Five Thousand Dollars (\$25,000) within three (3) business days of receiving from the Seller a final and fully executed and approved PSA, and evidence to Buyer's satisfaction that Seller owns fee simple to the West Gaines Property. The First Deposit is fully refundable to Buyer if the PSA is terminated during the Due Diligence period. |
| 4. <u>SECOND DEPOSIT:</u> | Buyer shall remit to the Escrow Agent a Second Deposit of Twenty Five Thousand Dollars (\$25,000) within three (3) business days of Buyer electing to proceed with the transaction and waiving its right to terminate the PSA under the Due Diligence provision. The total Deposit under the Permit Period shall be Fifty Thousand Dollars (\$50,000) (First plus Second Deposit) and shall be non-refundable and paid to the Seller should the Buyer decide not to proceed with the transaction during the |

Ms. Roxanne Manning
October 2, 2015
Page 2 of 4

Permit Period. Should Buyer decide to proceed with the transaction, all Deposit monies plus earned interest shall be credited to the Buyer at the Closing.

5. **DUE DILIGENCE PERIOD:** One hundred eighty (180) days from the final execution date of the PSA. Buyer may terminate the PSA on or before the last day of the Due Diligence Period.
6. **PERMIT PERIOD:** Buyer will have One hundred eighty (180) days after the Due Diligence Period to obtain necessary governmental approvals to construct the intended project. During the Permit Period, Buyer, with Seller's cooperation, must diligently process applications for development and building permits.
7. **CLOSING:** Closing shall occur within Thirty (30) days after the expiration of the Permit Period. Closing Costs are to be paid as follows: Seller shall pay its proration of real estate taxes and assessments and Seller's own attorney's fees; the Buyer shall pay all remaining costs to close this transaction, except as provided in paragraph 9 below.
8. **CLOSING EXTENSIONS:** Buyer shall be entitled to Two (2) Sixty (60) day closing extensions by giving the Seller Ten (10) days written notice and by posting an additional Twenty Five Thousand Dollars (\$25,000) with the Escrow Agent (Closing Extension Deposit). The Closing Extension Deposit(s) shall be non-refundable but shall be credited to the Buyer against the Purchase Price at the Closing.
9. **BROKER:** Buyer is a licensed Florida Real Estate Broker but will not be paid a Real Estate Commission on this transaction. This location was presented to Buyer by Strong Properties, Inc. ("Strong"), a licensed Real Estate Company. Buyer has worked exclusively on this location with Strong. Seller shall be responsible for paying Strong a three (3) percent real estate commission due upon Closing of this proposed transaction.
10. **ESCROW AGENT:** Broad and Cassel. The Deposit shall be held in an interest bearing account. Broad and Cassel shall act as Escrow Agent and as Counsel for the Buyer.
11. Buyer is under contract to purchase the contiguous property to the west of the "West Gaines Property." Buyer is negotiating "Letter of Intent" with the property owner to the east.

Buyer is a partner of The District Joint Venture II LLC which has "Block C" currently under construction on West Gaines Street. The City has also entered into a Memorandum of Agreement with The District Joint Venture II LLC to construct Bicycle Boulevard.

This Letter of Intent will expire thirty (30) days after the Seller obtains fee simple title to the Property or March 1, 2016, whichever occurs first in time.

This Letter of Intent is not contractually binding on either party. This Letter of Intent is only an expression of the basic terms and provisions to be incorporated into a written PSA and the parties shall not be bound unless and until the PSA is executed by the parties in form and content satisfactory to each party in its sole discretion. Upon your agreement with this Letter of Intent, Buyer will proceed to prepare the PSA and provide it to you within 20 calendar days of your execution of this letter.

Ms. Roxanne Manning
October 2, 2015
Page 3 of 4

I look forward to discussing this with you at your earliest convenience. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn R. McIntyre". The signature is stylized with a large, sweeping initial "S" and "M".

Shawn R. McIntyre
Senior Vice President
North American Properties – Southeast, Inc.

cc: William F. Butler
President
Real Estate InSync, LLC

Ms. Roxanne Manning
October 2, 2015
Page 4 of 4

Agreed to this ____ day of _____, 2015

City of Tallahassee Community Redevelopment Agency

Roxanne Manning
Executive Director

315 S. Calhoun St
Tallahassee, FL 32301

Bert Hartsfield, CFA
Leon County Property Appraiser



Phone - (850) 606-6200
www.leonpa.org

UNDER CONTRACT BY NAP

730-A
706
W Gaines St (371)
LOI presented by NAP to Seller

Block 607
OPEN

THE DECK
OPEN
C BLOCK
(UNDER CONSTRUCTION)

729
Florida State University
Fisher Sub

715
Florida State University
Alfred Fisher Sub

745

711

"West Gaines Property"

Alfred Fisher Sub

Damon Sub

BIKE BLVD
(MOA - City ? NAP)

2135510001320

Legend	
Parcels	Hospital
River	Retail Center
Waterbody	Stadium
Buildings	School, College or University
Parks	City
	Unincorporated County

0 60 120 240 Feet

Date Drawn: Apr 16, 2014

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EXHIBIT "A"



Cascades Park Developer Experience

Company Overview – North American Properties

Founded in 1954, North American Properties (NAP) is a privately held, multi-regional real estate operating company controlled by the Williams family of Cincinnati, OH that has acquired, developed and managed more than \$5 billion of retail, multifamily, mixed-use and office properties across the United States. North American Properties has prospered through real estate booms and busts, weathering storms through planning and execution.

Over the life of the Company, NAP has acquired, developed or is developing more than 18,000 residential units comprised of 66 projects in 7 states and 19 million square feet of retail space comprised of 86 properties in 12 states. NAP has also acquired or developed in excess of 1 million square feet of office space and 4 million square feet of mixed-use properties. Recently, NAP has placed an emphasis on urban, infill development as a response to changing demographic and consumer patterns.

NAP is headquartered in Cincinnati with offices in Atlanta, Dallas and Fort Myers.



Leadership

- Chief Executive Officer – Tom Williams
- Chief Operating Officer – Kevin Riley
- Chief Investment Officer – Tim Perry
- Chief Financial Officer – Donel Autin
- Partner – NAP Tallahassee Projects – Shawn McIntyre



Company Overview – Uptown Rental Properties

Uptown Rental Properties (URP) was established in 1985 by Dan Schimberg to fill a niche in off-campus student housing at the University of Cincinnati. Mr. Schimberg's vision was to provide a high quality product through the improvement of existing multifamily properties, and to maintain a higher level of property management and maintenance than existed in the market at that time.

URP has grown to own and manage nearly 2,000 multifamily units in the Greater Cincinnati area. These properties provide a wide variety of lifestyle choices catering to professionals, the medical community, off-campus graduate and undergraduate students, as well as the work force needs of the outlying metropolitan area.

Following the guidelines of an adopted Urban Renewal plan sanctioned by the City of Cincinnati, the Uptown/North American Properties team has assembled, entitled and redeveloped underutilized property around a formerly blighted commercial district, constructing 6 mixed-use buildings, over 500 Class "A" units and 28,000 square feet of new retail space.

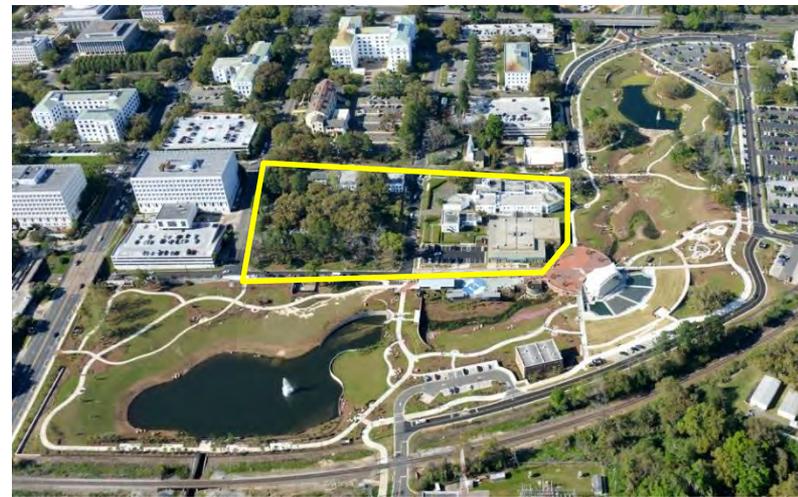
The Short Vine District, which is in close proximity to the University of Cincinnati, now has 1,000 new residents, numerous new restaurants and bars, and a new Kroger grocery store under construction. URP/NAP, the community and the City are stakeholders in these projects; we solicit community input and involvement throughout the design process and incorporate public components into our projects. VP3, a recently delivered student housing project, includes a 207 space City-owned parking garage. Currently, URP/NAP has completed the acquisition of 6 acres adjacent to Inwood Park (40-acre urban park) and is working hand in hand with the neighborhood, the city and the park board to develop multifamily housing on the park for a 2017 delivery.

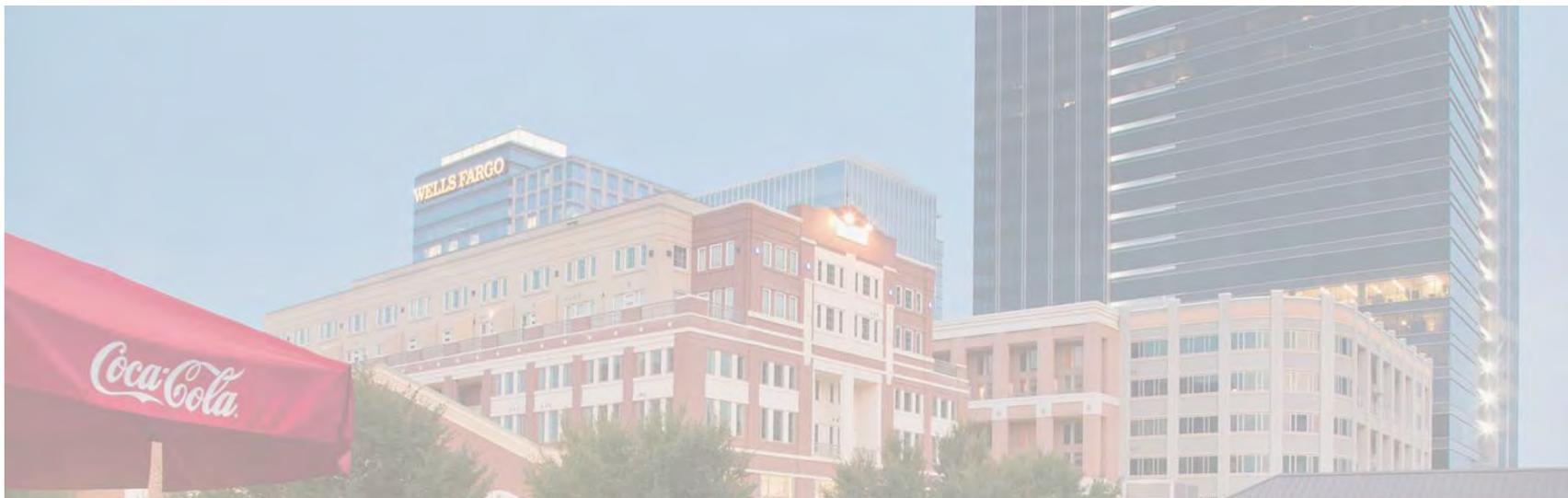


Cascades Park

Cascades Park is the pivotal social center of the Tallahassee community, enhancing the quality of life by offering one venue that brings together arts, entertainment, education, history and wellness. Urban redevelopment of the Firestone and Bloxham blocks (the Property) will enhance these uses by bringing together public and private stakeholders to consider the following items within the planning, development, economic modeling and construction stages:

- 1) The Property previously contained the Leon County Jail. During the spring of 1960, many students were arrested and held in the jail for participating in a civil rights protest. The redevelopment of this Property will include programming and facilities to honor the events which occurred.
- 2) Cascades Park contains an excellent amphitheater facility for performing arts. This development will include a “green room” to further enhance and increase the uses of the amphitheater.
- 3) The “green room” facility mentioned above can be designed as a multi-purpose facility to accommodate a black box theater.
- 4) The Property contains certain buildings that are unique in their architectural style. These buildings are in a high state of disrepair. The developer and the City will collaborate to incorporate design guidelines which reflect the important architectural style that previously existed.
- 5) The Property contains live oak trees. The design of the Property will acknowledge the importance of these trees and incorporate where feasible.
- 6) As activity continues to build within Cascades Park, additional public parking will be needed and will be included in the design of the Property.





PROPERTY HIGHLIGHTS



Stadium Centre – Tallahassee

North American Properties and Uptown Rental Properties partnered to develop three unique mixed-use projects in irreplaceable locations adjacent to Florida State University. The Block, The Deck, and Axis sites comprise “Stadium Centre”. Across the three properties, the project totals 367 units and houses 710 students. The retail component is 29,241 square feet. An additional 260 bed complex is currently under construction with two more assemblages on the drawing boards.

These projects are located in an evolving corridor of growth bounded by the FSU Football stadium to the west, FSU campus to the north, downtown core to the east and Gaines Street to the south. The corridor is part of a City of Tallahassee Community Redevelopment Authority’s (CRA) plan to revitalize the area.

NAP/URP partnered with the City of Tallahassee and the CRA to create multiple mixed-use projects in accordance with the Gaines Street Corridor plan. The partnership constructed public parking garages for the CRA to contribute to the resurgence Gaines Street District. Through an agreement with the CRA, the partnership developed the Block and the Deck on Gaines Street and provided a tax uplift of over \$50 million dollars of value in three years.



North Facing Aerial



BOHO4W



BOHO4W – Atlanta

BOHO4W, located on Historic Old Fourth Ward Park adjacent to Midtown in Atlanta, Georgia, is a 276 unit Class “A” apartment community development by North American Properties. This project is a prime example of “parkenomics”, whereby the creation or renovation of a park can spur economic development in the surrounding area. The 17-acre urban park earned the Urban Land Institute's “Project of the Year” award in 2013 and has brought over \$400 million in new private development and 1,000 new units of housing within one block of its perimeter. At the north end of the park is the Atlanta Beltline, a former rail corridor that now serves as a walking and biking path connecting surrounding neighborhoods.

BOHO4W delivers the in-town urban experience that today’s renters desire. The community features a saltwater resort style pool overlooking the park, as well as other best-in-class amenities including an outdoor grilling area, state of the art fitness center, fully equipped spin/yoga room, pet spa with washing stations, amenity wide gigabit Wi-Fi coverage and a resident art studio.



Anthem
ON ASHLEY



Anthem on Ashley – Atlanta

Anthem on Ashley is a 244 unit Class “A” apartment community currently under development by North American Properties in Atlanta, Georgia. The development site located on the last developable parcel on Historic Old Fourth Ward Park, capping a successful five year period where the surrounding community has experienced remarkable growth, primarily due to the creation of the Park and Atlanta Beltline.

Similar to BOHO4, this project will deliver the in-town urban experience that millennials expect: walkability, close proximity to jobs and a vibrant cultural scene. The project will be completed in September 2017 and feature a neighborhood restaurant and coffee shop. Residents will be a short walk from Ponce City Market, a 1.1 million square foot former Sears Roebuck distribution center that is the largest adaptive reuse project in Atlanta’s history. Recently completed, Ponce City Market serves as an urban centerpiece that combines 356,000 square feet of retail and restaurants with 484,000 square feet of office space and 259 residential flats.

During the design and planning phase for Anthem on Ashley, NAP worked with City of Atlanta and Beltline officials to ensure that project design meets neighborhood architecture standards, integrates sidewalks and landscaping with the Park and wraps parking.



Inwood Park – Cincinnati

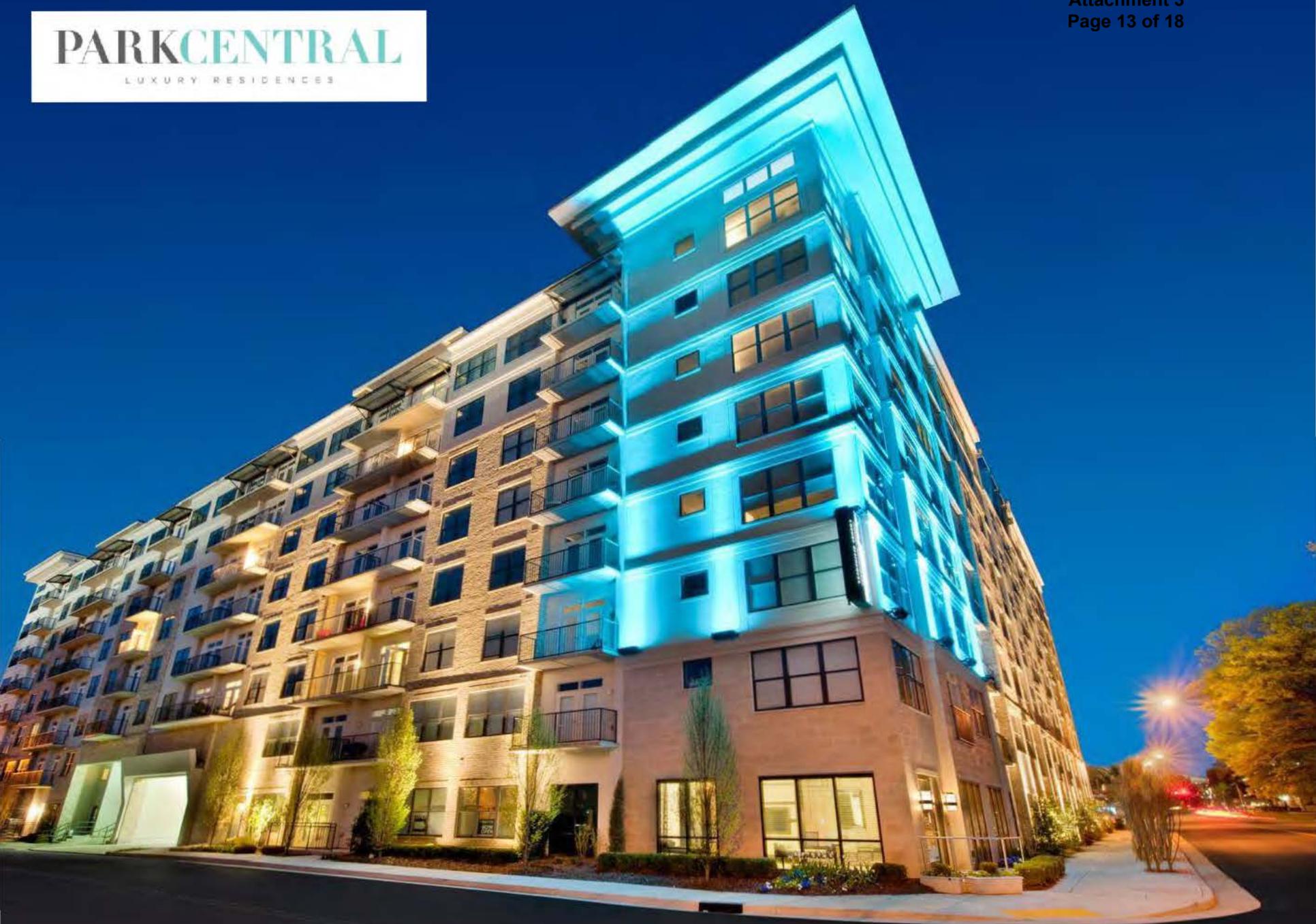
Inwood Park is a 40-acre urban park located between the Downtown and Uptown neighborhoods of Cincinnati, the two largest business districts in the city. The Cincinnati Park Board has a plan to reprogram and renovate the park, currently in disrepair. The City has also pledged funds to improve the infrastructure on Auburn Avenue, including widening the road, improving sidewalks, upgrading the lighting and enhancing the pedestrian experience.

Uptown Rental Properties and North American Properties have assembled a 6-acre parcel between Inwood Park and Auburn Avenue. In another example of a willing public/private partnership, NAP/URP will leverage the City's investment by developing housing for 400 new residents, making land available to the City for the improvement of the Auburn Avenue intersections at Taft and McMillan and providing an endowment to help fund the annual programming needs of Inwood Park. NAP/URP presented preliminary plans to the Cincinnati Planning Commission to solicit feedback on the proposed investment and it was embraced by the Planning Commission with the support of community and institutional partners.



PARKCENTRAL

LUXURY RESIDENCES



ParkCentral – Nashville

ParkCentral, located on Centennial Park in Nashville, TN, is a Class “A” 200 unit luxury apartment community developed by North American Properties. Situated adjacent to Vanderbilt University, ParkCentral is designed with the graduate student or young professional in mind. With a plethora of employers in the immediate area including the global headquarters for HCA, Vanderbilt University, Centennial Hospital and Baptist hospital, and only 1,800 comparable units in greater Nashville, demand significantly outpaces supply in this area. ParkCentral’s residential units, roof top pool and amenity deck offer residents sweeping views of Centennial Park and downtown Nashville. ParkCentral residents enjoy fiber internet that offers gigabit internet speed.



The success of ParkCentral is primarily due to its location as the only residential community located directly on Centennial Park. A centerpiece of Nashville, the 132 acre Centennial Park features: the iconic Parthenon, a one-mile walking trail, Lake Watauga, the Centennial Art Center, historical monuments, an arts activity center, a beautiful sunken garden, a band shell, an events shelter, sand volleyball courts, dog park and an exercise trail.



Sodo – Orlando

Sodo is one of the first multi-use, vertically integrated redevelopments in downtown Orlando. An assemblage of former commercial uses, North American Properties sought to provide Class “A” opportunities for a revitalizing neighborhood.

Sodo includes 370,000 square feet of retail anchored by an urban Target complete with a parking deck located on the roof; 300 luxury residential units, and 75,000 square feet of office space – all vertically integrated with structured parking. The development sits on 22 acres along South Orange with visibility from surrounding arterials to over 400,000 vehicles per day.



101 Corry – Cincinnati

101 Corry is a 272 bed student housing currently under development by NAP and Uptown which will be completed August 2016. This urban, infill project is located in the Cincinnati neighborhood of Corryville and within walking distance to the University of Cincinnati campus and nearby University Hospital.

The property is adjacent to Triangle Park, a small gateway urban park situated on a hill at a busy intersection, now used primarily as a pass through. The developers have invested over \$120,000 near the park to relocate the utility service underground, which will be matched by the City of Cincinnati in TIF funding to improve the Park. The Park Board intends to use the funding to make the park more of a destination by upgrading landscaping, providing more seating and improving lighting.



SouthWest Station – Eden Prairie, MN

SouthWest Station is a 236 unit condominium project in suburban Minneapolis developed by North American Properties. Completed in 2004, the project is a unique mixed-use, transit oriented development that refines and blends the most positive faces of suburban life - convenience, high mobility, comfort, open spaces, and privacy - with character, warmth, and vitality of urban town living.

A cornerstone of the development is a multi-modal transit station that has received several national awards, including an Honorable Mention – Intermodal Transportation Facilities by the US Department of Transportation in 2004. Its success is attributed to a strong partnerships between NAP, SouthWest Metro Transit Authority, Eden Prairie, the Metropolitan Council and the Minnesota DOT. The Station remains a model for other transit facilities with a high quality and attractive design that provides comfort and convenience for the transit rider.



Additional Uptown Projects – Cincinnati

VP3

- Opened August 2015
- 149 units, 295 beds
- Mix of studio, 1BR, 2BR, 3BR and 4BR apartments
- 4-story wood frame construction over a podium-style parking deck
- High end amenities; fitness center, game room, study rooms
- Fiber to each unit with a Gig of bandwidth
- 4BR units are furnished and rented by the bed
- Held over 25 public meetings in the planning phase
- Built a City-owned parking garage within the new development
- Planned Development Zoning Approval process



Views on Vine

- Opened August 2013
- 104 units, 164 beds
- Mix of 1BR, 2BR and 3BR
- 4-story wood frame construction over a podium-style parking deck
- 100 space public parking lot
- 21,000 SF retail with a Fifth Third bank, a Belgian Bistro
- High end amenities; fitness center, game room, study rooms
- Fiber to each unit with a Gig of bandwidth
- New Market Tax Credit financing





Agenda Item Details

Meeting	Oct 29, 2015 - CRA Board Meeting
Category	4. Policy Formation & Direction
Subject	4.03 Update and Request for Direction Regarding Proposed Arts, Culture and Heritage Initiative and Utilization of Remaining Performing Arts Center Funds -- Roxanne Manning, Tallahassee Community Redevelopment Agency
Access	Public
Type	Action, Discussion
Fiscal Impact	No
Recommended Action	Option 1 - Provide staff with direction on Phase 2 of the Initiative including preferred use(s) for further conceptual development and public input.

Public Content

For more information, please contact: Roxanne Manning, Tallahassee CRA, 850-891-8353

Statement of Issue

On December 9, 10, and 11, 2014, the City of Tallahassee, Leon County and the Tallahassee Community Redevelopment Agency (CRA) approved an amendment to the CRA interlocal agreement providing the existing Performing Arts Center (PAC) Tourist Development Tax (Bed Tax) balance, plus the amount accrued through September 30, 2014, remain with the CRA for arts-related uses. In addition, it was determined that the \$508,425 in PAC Bed Tax funds owed to the County by the City for costs incurred during the demolition of the John's Building be used for improvements relating to the Capitol City Amphitheater.

On February 26, 2015, staff presented preliminary options for the expenditure of the Bed Tax funds to the CRA Board. The Board opted to expand the process and authorize staff to meet with the different stakeholders and bring back an agenda item containing multiple proposals that incorporate the goals of the cultural plan into the surrounding Cascades Park and Frenchtown/Southside areas. The majority of Board members voiced their support of the intent to enhance Cascades Park and the surrounding area with options supporting dance, music, a black box theatre, and art using the goals of the cultural plan as a tool to establish the best use of the funding. Based on CRA Board discussion and direction, staff began work on an Arts, Culture and Heritage Initiative.

In order to ensure thorough consideration of all opportunities and options, CRA staff is proposing a two phase process. This agenda item, which summarizes Phase One of the process, will:

- Provide a summary of staff's research,
- Facilitate the Board's consideration of different options, and,
- Obtain Board direction for Phase 2 of the initiative.

Following Board direction, staff will initiate Phase 2 of the process, which includes further meetings with the Tallahassee/Leon County community and representatives of the Arts, Culture and Heritage community for additional input and to further refine the concepts. Following completion of Phase 2, staff will return to the CRA Board with the results of the process for further review and possible approval. Following final CRA action, the proposal would be scheduled for City Commission and Board of County Commissioners review and action as required by the amended interlocal agreement.

Recommended Action

Option 1 - Provide staff with direction on Phase 2 of the Initiative including 1 or more preferred use(s) for further conceptual development and public input.

Fiscal Impact

None at this time.

Supplemental Material/Issue Analysis

History/Facts & Issues

Research

In order to prepare for the discussions with the art community, staff reviewed the Cultural Plan, Florida Statutes Chapter 125, and researched programs in other cities. To learn more about the specific cultural needs and goals within the Tallahassee/Leon County community, CRA staff held multiple meetings with representatives from COCA and the visual arts and theater communities to discuss their needs, ideas and opportunities. CRA staff found a consistent message emerged from many of the discussions as the conversations centered on the need for studios, galleries, rehearsal and performance space. Following the meetings and research, it was apparent while it may be possible to support a range of uses with the TDC funds, members of the arts community placed a clear emphasis on the need for physical space to support visual and performing arts.

Facilities and Artistic Identity

Physical space is a key element in the success of arts and cultural communities for several reasons. The presence of significant buildings and/or spaces dedicated to the arts is one of the clearest indicators of a thriving arts program within a community.

Dedicated art and cultural facilities identify cities that have moved beyond fulfilling the basic needs of their citizens, up to a level in which arts and culture are integral elements in the local social and economic structure. Moreover, based on evidence from cities around the country, we know an active, well-defined artistic community is a key driver of tourism. It is like a circle – the presence of significant arts and cultural facilities help attract tourists - the tourists in turn help support the arts.

Buildings are, however, one of the most expensive components of an artistic environment. Because renting or building physical space is fairly expensive, it is often beyond the reach of many artists or arts entities. In fact, lack of dedicated physical space can be considered a growth inhibitor to the creation of a genuinely successful art program.

Defining an Arts District

Another valuable tool for defining a successful arts community is the creation of an established arts district. When arts and cultural facilities are grouped together, visitors can walk to visit multiple facilities. The visibility of each use, and hence its potential for success, is enhanced. Consequently staff recommends that grouping arts, culture and heritage uses in the same general vicinity be considered.

While there are already funds available from the City, County, CRA and State to support events, activities and organizations related to culture and arts, the \$5,000,000 +/- in available PAC funds creates a rare opportunity to provide important physical spaces or facilities that can support a variety of cultural activities. Based on these findings, staff recommends the CRA Board consider identifying an area for informal designation as an arts/culture/heritage district and placing a priority on the creation of physical facilities that support arts, culture and heritage. This can be discussed during Phase 2 of this process after additional research is completed.

Available Resources

There are two separate funds that can be used to support the Art, Culture and Heritage Initiative:

1. \$508,425 + in Bed Tax funds, incurred during demolition of the John's Building, is dedicated to supporting the Cascades Park Amphitheater. These funds may be used to build support space which may include dressing rooms, a green room, storage or other necessary facilities. These funds could be leveraged with the PAC funds only if the required facilities are being provided.
2. \$5,000,000 +/- remaining from the PAC effort. These funds are governed by the CRA amended interlocal agreement and

Chapter 125 Florida Statutes, as discussed below.

The impact of the above funding sources may also be enhanced by a range of actions, including leveraging the aforementioned funds with new development on the Firestone/Bloxham site, partnering with a local entity to create a facility, potential use of Waterworks or other City or County sites, and possible funding from other entities.

The Interlocal Agreement

Based on the amended CRA interlocal agreement, the PAC funds may be expended to encompass projects, programs and expenses related to culture, visual arts, and heritage programs; performing arts space, or other performing arts projects. The projects must be located in the Downtown District Community Redevelopment Area or the Greater Frenchtown/Southside Community Redevelopment Area. All proposed uses of the funds must be recommended by the CRA Board, and approved by both the County and City.

Statutory Restrictions

In addition to the restrictions in the interlocal agreement, the funds may only be utilized for projects, programs and expenses authorized under Section 125.0104 Florida Statutes (FS), specifically 125.0104(5) (**Attachment 1**). This includes publicly owned and operated uses such as convention centers, auditoriums, aquariums, museums and sports stadiums and arenas. However, there is some flexibility, as demonstrated by the letter, dated December 1, 1998, (**Attachment 2**) from Florida Attorney General Butterworth, which provides that the governing body of the County has ability to determine appropriate use of funds based on promotion of tourism in subject county. In an abundance of caution, staff has attempted to select options that adhere as closely as possible to the statutory limitations. If there are questions concerning the appropriate use of the funds, staff may seek another interpretation from the Florida Attorney General.

The Capital Area Cultural Plan

The Cultural Plan, as updated in 2014, identifies goals and objectives to be implemented to support the arts in our community. The resources discussed above provide an opportunity to fulfill several Cultural Plan goals. The Plan provides four goals, three of which are relevant to the Arts, Culture and Heritage Initiative, as follows:

ECONOMIC DEVELOPMENT & MARKETING: Position and market the arts, culture and heritage as a strategic partner of Tallahassee/Leon County economic development efforts, through public and private funding for arts, arts organizations and cultural assets.

EDUCATION: Capitalize on the area's art, cultural and heritage attributes in order to strengthen art, culture and heritage opportunities in schools and the community.

FUNDING & FACILITIES: Provide sustainable public and private funding to preserve and improve arts, cultural and heritage organizations and experiences. This effort acknowledges the importance of growing new and emerging projects and facilities, but will give priority to existing organizations. The Plan states: *"The need for performance venues is a critical priority for performance arts organizations in our community. The community must go forward with the effort to create one or more new performance venues, but there must be a realistic plan, including the affordability for local groups to utilize the space."*

It must be noted that the Cultural Plan emphasizes the need for a facility seating 1200, which is likely beyond the scope of this initiative, however, providing a smaller facility, or facilities that support multiple uses, is within the scope of funding and also increases accessibility to local groups.

Use Options

In identifying potential uses for the funds, staff worked to find uses that meet the goals of the Cultural Plan, fall within the scope of limitations imposed by the Florida Statute 125 and the CRA amended interlocal agreement, while at the same time providing an opportunity to earn revenue to pay for operations and maintenance. The following list provides a range of uses and projects that meet some or many of the aforementioned criteria.

Please note many of these uses can be combined to create unique venues.

Cultural Plan Goals >		ECONOMIC DEVELOPMENT & MARKETING	EDUCATION	FUNDING & FACILITIES	REVENUE
Proposed Uses					
1	Visitors Center for the Arts: a central location containing extensive information on regional artists and galleries. May also include sales space, leasable event space, classrooms and studios.	X	X	X	X
2	Arts Incubator: with leasable studios, classrooms and sales space. May also include artists housing.	X	X	X	X
3	Display & sales space: artists and galleries coordinate to stock and staff "Talleon Arts" stores located in one or more places.	X		X	X
4	Black Box Theater: performance space, rehearsal space and event space, leasable to local organizations and traveling performers and shows. May share facilities with Amphitheater.	X	X	X	X
5	Art School: studio spaces & classrooms, modeled on the Folk School model. Revenues are generated by tuition, fees and lease of classrooms and studios. May house an artist in residence each year.	X	X	X	X
6	Public Art Projects in visually prominent locations, such as the Cascades Park pond.	X			
7	Events Space: leasable space to host cultural, heritage and educational events.	X	X	X	X

Civil Rights Memorials: continuing the “Footsteps to Freedom” project. Locations include the old jail and the theater on N. Monroe.	X	X		
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As previously stated, staff will endeavor to maximize the impact of the available funds by combining related uses, utilizing planned redevelopment projects to save on construction costs, looking for potential partnerships with existing arts and culture entities, as well as identifying uses that have the potential to generate revenue to pay for operations and maintenance.

Operations and Maintenance

While Florida Statute 125 requires a facility constructed with Bed Tax funds be publically owned, it does allow for operations to be implemented through service contracts or leases. Thus the work of managing the facility may be accomplished without utilizing staff from the local governments and in a way that may provide further support to local arts entities. The goal is to create uses that fulfill the Cultural Plan goals but do not place additional financial burdens on the City, County or CRA.

Options

1. Provide staff with direction on Phase 2 of the Initiative including 1 or more preferred use(s) for further conceptual development and public input.
2. Provide staff with alternate direction.

Attachments/References

1. Section 125.0104 (5) Florida Statutes (FS)
2. Letter, Florida Attorney General

[Attachment 1.pdf \(476 KB\)](#)

[Attachment 2.pdf \(638 KB\)](#)

Chapter 125 Florida Statutes

(5) AUTHORIZED USES OF REVENUE.—

(a) All tax revenues received pursuant to this section by a county imposing the tourist development tax shall be used by that county for the following purposes only:

1. To acquire, construct, extend, enlarge, remodel, repair, improve, maintain, operate, or promote one or more:
 - a. Publicly owned and operated convention centers, sports stadiums, sports arenas, coliseums, or auditoriums within the boundaries of the county or subcounty special taxing district in which the tax is levied; or
 - b. Aquariums or museums that are publicly owned and operated or owned and operated by not-for-profit organizations and open to the public, within the boundaries of the county or subcounty special taxing district in which the tax is levied;
2. To promote zoological parks that are publicly owned and operated or owned and operated by not-for-profit organizations and open to the public;
3. To promote and advertise tourism in this state and nationally and internationally; however, if tax revenues are expended for an activity, service, venue, or event, the activity, service, venue, or event must have as one of its main purposes the attraction of tourists as evidenced by the promotion of the activity, service, venue, or event to tourists;
4. To fund convention bureaus, tourist bureaus, tourist information centers, and news bureaus as county agencies or by contract with the chambers of commerce or similar associations in the county, which may include any indirect administrative costs for services performed by the county on behalf of the promotion agency; or
5. To finance beach park facilities or beach improvement, maintenance, renourishment, restoration, and erosion control, including shoreline protection, enhancement, cleanup, or restoration of inland lakes and rivers to which there is public access as those uses relate to the physical preservation of the beach, shoreline, or inland lake or river. However, any funds identified by a county as the local matching source for beach renourishment, restoration, or erosion control projects included in the long-range budget plan of the state's Beach Management Plan, pursuant to s. [161.091](#), or funds contractually obligated by a county in the financial plan for a federally authorized shore protection project may not be used or loaned for any other purpose. In counties of fewer than 100,000 population, up to 10 percent of the revenues from the tourist development tax may be used for beach park facilities.

Subparagraphs 1. and 2. may be implemented through service contracts and leases with lessees that have sufficient expertise or financial capability to operate such facilities.

(b) Tax revenues received pursuant to this section by a county of less than 750,000 population imposing a tourist development tax may only be used by that county for the following purposes in addition to those purposes allowed pursuant to paragraph (a): to acquire, construct, extend, enlarge, remodel, repair, improve, maintain, operate, or promote one or more zoological parks, fishing piers or nature centers which are publicly owned and operated or owned and operated by not-for-profit organizations and open to the public. All population figures relating to this subsection shall be based on the most recent population estimates prepared pursuant to the provisions of s. [186.901](#). These population estimates shall be those in effect on July 1 of each year.

(c) The revenues to be derived from the tourist development tax may be pledged to secure and liquidate revenue bonds issued by the county for the purposes set forth in subparagraphs (a)1., 2., and 5. or for the purpose of refunding bonds previously issued for such purposes, or both; however, no more than 50 percent of the revenues from the tourist development tax may be pledged to secure and liquidate revenue bonds or revenue refunding bonds issued for the purposes set forth in subparagraph (a)5. Such revenue bonds and revenue refunding bonds may be authorized and issued in such principal amounts, with such interest rates and maturity dates, and subject to such other terms, conditions, and covenants as the governing board of the county shall provide. The Legislature intends that this paragraph be full and complete authority for accomplishing such purposes, but such authority is supplemental and additional to, and not in derogation of, any powers now existing or later conferred under law.

(d) Any use of the local option tourist development tax revenues collected pursuant to this section for a purpose not expressly authorized by paragraph (3)(l) or paragraph (3)(n) or paragraph (a), paragraph (b), or paragraph (c) of this subsection is expressly prohibited.

Florida Attorney General Advisory Legal Opinion

Number: AGO 98-74

Date: December 1, 1998

Subject: Tourist Development Tax, construction of war memorial

The Honorable Martha O. Haynie
Orange County Comptroller
Post Office Box 38
Orlando, Florida 32802

RE: TOURIST DEVELOPMENT TAX--COUNTIES--CLERKS OF COURT--use of tax revenues to construct war memorial at county courthouse. s. 125.0104 (5), Fla. Stat.

Dear Ms. Haynie:

You ask substantially the following question:

May tourist development tax revenues be used to construct an "All Wars Memorial" at the Orange County Courthouse, when the memorial is to replace a "Vietnam Veterans Memorial" that was demolished at the Orange County Convention Center?

In sum:

Expenditure of tourist development tax revenues for the construction of a new "All Wars Memorial" at the Orange County Courthouse must be based on a determination by the governing body of the county that the memorial directly and primarily promotes tourism.

You have provided background information that a Vietnam Veterans Memorial was constructed in 1983 at the Orange County Convention Center using funds raised by the community and monies from federal revenue sharing. Due to expansion and subsequent renovations of the center, it was necessary to relocate the memorial. The memorial could not safely be moved, resulting in its demolition and the decision to construct a new memorial at the Orange County Courthouse.

The County Attorney has rendered an opinion stating that it would be appropriate to use tourist development taxes to pay for the new memorial as an operating or capital expense. You question the validity of such an expenditure since the original memorial was not

funded by the convention center, but was merely placed at the center as a community memorial.

Section 125.0104, Florida Statutes, known as the Local Option Tourist Development Act[1] (act), authorizes a county to impose a tax on short-term rentals of living quarters or accommodations within the county unless such activities are exempt pursuant to Chapter 212, Florida Statutes.[2] The purpose and intent of section 125.0104, Florida Statutes, is to "provide for the advancement, generation, growth and promotion of tourism, the enhancement of the tourist industry, and the attraction of conventioners and tourists from within and without the state to a particular area or county of the state." [3]

Thus, construction of publicly owned facilities financed by proceeds from the tourist development tax must be primarily related to the advancement and promotion of tourism. It is the governing body of the county that must make the factual determination of whether a particular facility or project is related to tourism and primarily promotes such a purpose. This determination must follow appropriate legislative findings and due consideration of the specific needs and conditions of the particular locality.[4]

Subsection (5) of the act sets forth various purposes for which revenues from the tax may be used. Relevant to the question you have posed, section 125.0104(5)(a)1., Florida Statutes, authorizes the expenditure of tax revenues for the following purpose:

"To acquire, construct, extend, enlarge, remodel, repair, improve, maintain, operate, or promote one or more publicly owned and operated convention centers, sports stadiums, sports arenas, coliseums, or auditoriums, or museums that are publicly owned and operated or owned and operated by not-for-profit organizations and open to the public, within the boundaries of the county or subcounty special taxing district in which the tax is levied. . . ."

The plain language of the statute contemplates the expenditure of tax revenues to remodel, repair, improve, maintain and operate a convention center such as the one in Orange County. When a statute enumerates those things upon which it operates, it is ordinarily construed to exclude from its operation all things not expressly mentioned.[5] This office has consistently concluded that tourist development tax revenues may only be used for the purposes enumerated in section 125.0104, Florida Statutes.[6]

The remodeling and expansion of the convention center would appear to have necessarily required removal of the Vietnam Veteran's Memorial. Construction of a new memorial to replace the demolished one at a location off the convention center's premises, however, is not a logical consequence of such remodeling and expansion. Nor does

the construction of the memorial at the courthouse appear related to the operation of or capital improvements to the convention center.

While construction of the new war memorial at the Orange County Courthouse appears to be neither a proper capital improvement to the convention center nor related to the operation of the center, it remains for the governing body of the county, not this office, to determine whether such construction is related to tourism and furthers the purpose of promoting tourism in Orange County. [7] Any such determination, however, must show a distinct and direct relationship between expenditure of tourist development tax revenues and the promotion of tourism.

Accordingly, it is my opinion that the expenditure of tourist development tax funds for the construction of a new All Wars Memorial at the Orange County Courthouse depends on a determination by the governing body of the county that such expenditure is directly related to the promotion of tourism in the county.

Sincerely,

Robert A. Butterworth
Attorney General

RAB/tls

[1] Section 125.0104(1), Fla. Stat.

[2] See s. 125.0104(3)(a), Fla. Stat., stating it is the intent of the Legislature that every person who rents, leases, lets living quarters or accommodations in "any hotel, apartment hotel, motel, resort motel, apartment, apartment motel, roominghouse, mobile home park, recreational vehicle park, or condominium for a term of 6 months or less is exercising a privilege which is subject to taxation under this section"

[3] See Ops. Att'y Gen. Fla. 95-71 (1995), 94-12 (1994), 87-16 (1987), and 83-18 (1983).

[4] See Op. Att'y Gen. Fla. 94-12 (1994) (governing body of the county must make determination that expenditure of tourist development tax revenues for the acquisition of a railway right-of-way and construction of a public recreational trail falls within the scope of expenditures authorized by s. 125.0104, Fla. Stat.).

[5] See *Thayer v. State*, 335 So. 2d 815, 817 (Fla. 1976). And see Op. Att'y Gen. Fla. 88-49 (1988) (expenditure of tourist development tax revenues is limited to those purposes set forth in the statute).

[6] See Ops. Att'y Gen. Fla. 86-68 (1986) (tourist development tax revenues may be used for beach cleaning and maintenance) and 87-16 (1987) (tourist development tax revenues may be used to improve, maintain, renourish or restore public shoreline or beaches of inland freshwater lake). Cf. Ops. Att'y Gen. Fla. 91-62 (1991) (construction of boat ramps and parking facilities in proximity to inland lakes and rivers not a proper use of tourist development tax revenues), 90-55 (1990) (tourist development tax revenues may not be used to construct beach parks, fund additional law enforcement patrols or lifeguards on the beach, or to build and maintain sanitary facilities on or near the beach), and 88-49 (1988) (no authority to use tourist development tax revenues to acquire real property for beach access).

[7] See s. 125.0104(5)(a)2., Fla. Stat. (1998 Supp.), allowing the use of tourist development tax revenues "[t]o promote and advertise tourism in the State of Florida . . . ; however, if tax revenues are expended for an activity, venue, or event, the activity, service, venue, or event shall have as one of its main purposes the attraction of tourists as evidenced by the promotion of the activity, service, venue, or event to tourists."