



FURA Predevelopment Services Grant Request

P&B HOLMAN, LLC



PREDEVELOPMENT SERVICES GRANT PROGRAM

*Purpose: To encourage **development, redevelopment, or renovation** of underutilized and vacant properties within the Florence Urban Renewal Area. Predevelopment funds are available to assist developers and owners of commercial property with **assessing the feasibility of potential development projects** within the Urban Renewal Area.*



PREDEVELOPMENT SERVICES GRANT PROGRAM

The Predevelopment Services Grant can be awarded by the FURA Board up to \$25,000 for eligible costs related to taxable commercial or mixed-use projects based on budget availability. Grants are paid out on a reimbursement basis to fund up to forty (40%) of total eligible predevelopment costs up to the maximum award amount.



Project and Grant Application Overview:

- ✓ Unassigned lot on Nopal Street, between 1st Street and Bay Street.
- ✓ Project will build new mixed-use development with retail and residential units.
- ✓ Preliminary project cost estimates: \$106,210 for architectural services and \$2,655,260 for construction.
- ✓ Request includes assistance with the predesign, schematic design, and design development for the project.



Application Analysis:

- ✓ Meets at least one Urban Renewal Plan Objectives
- ✓ Property and Project Meet Program Eligibility Criteria
- ✓ Funding requested is for Eligible Activities
- ✓ Applicant has met with staff and received the preapproval letter per the guidelines



Financial Impact:

Pre-design Estimates

Pre-design fee	\$ 6,372
Schematic Design fee	25,490
<u>Design Development fee</u>	<u>26,553</u>
Total estimate	\$ 58,415
<u>FURA Reimbursement</u>	<u>x 0.40</u>
Estimated FURA Grant	\$ 23,366

FURA has budgeted \$30,000 for the Predevelopment Services Grant for Year 1 of the Biennium.

FURA has not yet committed funding from this program's budget in Year 1.



Staff Recommendation:

Award a Predevelopment Services Grant to P&B Holman, LLC., through reimbursement of costs related to pre-design, schematic design, and design development at the rate of 40% up to \$25,000.



FURA Redevelopment Assistance Grant Request

WOAHINK INVESTMENT GROUP, LLC



REDEVELOPMENT ASSISTANCE GRANT PROGRAM

Purpose: To encourage redevelopment or renovation of underutilized properties within the Florence Urban Renewal Area (URA). Redevelopment Assistance funds are available to assist developers and owners of commercial property with shovel-ready development projects within the URA.



REDEVELOPMENT ASSISTANCE GRANT PROGRAM

The Redevelopment Assistance Grant can be awarded by the FURA Board up to \$100,000 for eligible costs related to taxable commercial or mixed-use projects based on budget availability. The Redevelopment Assistance Grant program requires at least \$4 of private investment to each \$1 in grant funds (20% matching grant). Grants are paid out on a reimbursement basis to fund the award amount.



Project and Grant Application Overview:

- ✓ 138 Maple Street – Applicant has remodeled the interior and exterior of the current building.
- ✓ Project will revitalize the exterior spaces of the property – Sitework and Landscaping.
- ✓ Total redevelopment investment to date includes \$250,000 for remodel.
- ✓ Exterior project estimates include \$80,538 for sitework and \$9,750 for landscaping.



Application Analysis:

- ✓ Meets at least one Urban Renewal Plan Objectives
- ✓ Property and Project Meet Program Eligibility Criteria
- ✓ Funding requested is for Eligible Activities
- ✓ Applicant has met with staff and received the preapproval letter per the guidelines



Financial Impact:

Redevelopment Quotes

Sitework	\$ 80,538
Landscaping	9,750
Total estimate	\$ 90,288
FURA Reimbursement	x 0.20
Estimated FURA Grant	\$ 18,058

FURA has budgeted \$30,000 for the Redevelopment Services Grant for Year 1 of the Biennium.

FURA has not yet committed funding from this program's budget in Year 1.



Staff Recommendation:

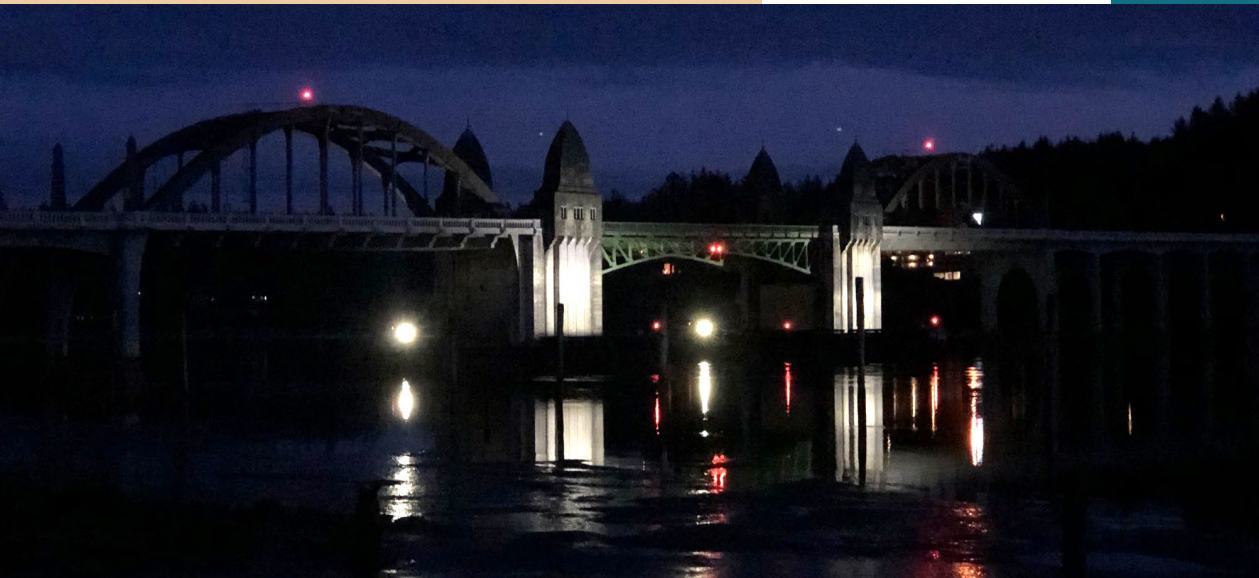
Award a Redevelopment Assistance Grant to Woahink Investment Group, LLC, through reimbursement of costs related to sitework and landscaping activities as outlined in the preapproval letter at the rate of \$1 from FURA to every \$4 in private investment, or 20%, up to \$20,000.



Quince Street Development Professional Services Contracts

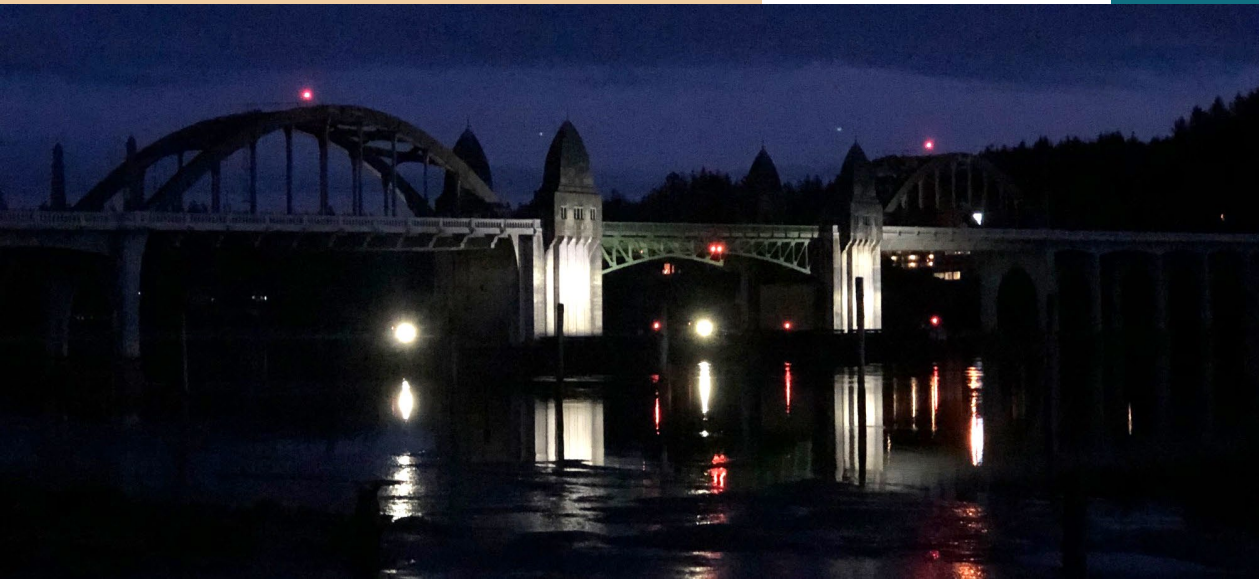
Subert Commercial Real Estate & John Southgate LLC

PROJECT BACKGROUND



- ✓ **November 2019:** Solicited economic development and real estate professionals to assist with the Quince Street Development. Quince Street Selection Advisory Committee recommended contracts with both Brooke Subert (Subert Commercial Real Estate) and John Southgate (John Southgate LLC).
- ✓ **March 2020:** City Manager Erin Reynolds, in her capacity as FURA Executive Director, entered into agreements with both consultants to begin work on the Quince Street Project. Both contracts were within the City Manager's purchasing authority of \$30,000, as well as any subsequent amendments to date.
- ✓ **Work to Date:** Subert and Southgate have worked with City staff, the Selection Advisory Committee, the FURA Board, prospective developers, and the two developers that the Agency has approved entering into Exclusive Negotiating Agreements.

PROJECT BACKGROUND



- ✓ **Current Status:** *FURA Board has authorized entering into an ENA with Braun Hospitality for a Microtel Moda by Wyndham. This process of negotiation and the steps towards determining the terms for a development agreement will take additional work from our consultants as valuable members of the project team.*
- ✓ **Professional Service Contract Updates:** *City staff have received the proposals to perform the work through the execution of a development agreement and is preparing amendments to the contracts for both Subert and Southgate. The proposed amendments will exceed the City Manager's spending authority and are presented for consideration by the FURA Board.*

PROFESSION SERVICES CONTRACT PROPOSED UPDATES

FURA Biennial Budget includes \$50,000 for Professional Services related to Quince Street. Approximately \$40,000 of these combined contracts, with the commissions, would be within the current biennium and is within the biennial budget.

Subert Commercial Real Estate

<i>Ending Date:</i>	<i>June 30, 2022</i>
<i>Approval to Date:</i>	<i>\$ 16,500</i>
<i>Additional Proposed:</i>	<i>10,000</i>
<i>Total NTE Contract Amount:</i>	<i>\$ 26,500</i>
<i>Commission (Previously Approved):</i>	<i>10,000</i>
<i>Total Consultant Fee:</i>	<i>\$ 36,500</i>

John Southgate LLC

<i>Ending Date:</i>	<i>June 30, 2022</i>
<i>Approval to Date:</i>	<i>\$ 17,000</i>
<i>Additional Proposed:</i>	<i>8,000</i>
<i>Total NTE Contract Amount:</i>	<i>\$ 25,000</i>
<i>Commission (Previously Approved):</i>	<i>5,000</i>
<i>Total Consultant Fee:</i>	<i>\$ 30,000</i>

Note: The consultant fees are based on their individual rates and their proposed hours for the remainder of the activities. The commissions were negotiated in the original professional services contracts as recommended by the Selection Advisory Committee during the review of proposals to incentivize closing a development deal.

STAFF RECOMMENDATION

- ✓ Extend the contracts with both Subert Commercial Real Estate and John Southgate LLC to June 30, 2022.
- ✓ Approve the not-to-exceed contract with Subert Commercial Real Estate to \$26,500, for a total contract amount of \$36,500.
- ✓ Approve the not-to-exceed contract with John Southgate LLC to \$25,000, for a total contract amount of \$30,000.

