



Legislation Details (With Text)

File #: ID#18-5520 **Version:** 1 **Name:** Amendments to The Ring Development Agreement
Type: Action Item **Status:** Passed
File created: 12/20/2018 **In control:** Community Redevelopment Agency
On agenda: 1/14/2019 **Final action:** 1/14/2019

Title: Approve amendments to the Development Agreement adopted on October 30, 2017 between the Community Redevelopment Agency (CRA) and The Ring Workspaces, LLC and authorize the appropriate officials to execute same.

Sponsors:

Indexes:

Code sections:

Attachments: 1. The Ring Extension Letter 11DEC2018.pdf, 2. The Ring Requests for Amendments Dec182018.pdf, 3. DEVELOPMENT AGREEMENT - THE RING WORKSPACE LLC - 600 CLEVELAND ST.pdf, 4. The Ring Exhibit K 2017.pdf, 5. Exhibit K FINAL 122818.pdf, 6. The Ring Dev Agreement Amendment Signed FINAL 122818 .pdf

Date	Ver.	Action By	Action	Result
1/14/2019	1	Community Redevelopment Agency		

SUBJECT/RECOMMENDATION:

Approve amendments to the Development Agreement adopted on October 30, 2017 between the Community Redevelopment Agency (CRA) and The Ring Workspaces, LLC and authorize the appropriate officials to execute same.

SUMMARY:

The Community Redevelopment Agency trustees approved a development agreement on October 30, 2017 with The Ring Workspaces, LLC (grantee) to establish a co-work space at 600 Cleveland Street (One Clearwater Tower). The CRA's investment of \$600,000 in the project was contingent on specific environmentally friendly building standards, the provision of parking, construction timelines, performance reporting and a partnership with the city's "Clearwater Business SPARK" program among other requirements.

To date, the grantee has received a Certificate of Occupancy for the second floor of the co-work space and is actively finishing the third floor of the co-work space. After a site visit on November 29, 2018, the CRA Director issued an extension until January 21, 2019 to obtain a Certificate of Occupancy for the third floor due to unavoidable construction delays caused by difficulty in acquiring plastic free materials. Construction invoices have been appropriately filed and reimbursement payments have been issued for a total of \$502,236.74 for this grant. The remaining grant funds are \$97,763.26.

The grantee and the CRA Director are jointly requesting to amend portions of the existing development agreement and Exhibit "K" to better reflect the updated project timeline, applicable environmental building standards and to accurately capture the impact of this project on the CRA's downtown redevelopment goals. The following amendments are proposed:

- Removal of the requirement to build the 1,300 square foot outdoor terrace and reallocation of those grant funds (\$97,763.26) to environmentally friendly lighting, flooring materials and improved indoor air

quality. The cost to construct the outdoor terrace increased from \$125,000 to \$206,066.17 since the project began. Outdoor space needs can be met using Station Square Park and the indoor air quality and lighting improvements will have a greater positive impact on the occupants' health than the terrace on a daily basis.

- Amendment of the reporting period and required metrics for the annual performance report. Annual reports are currently required to be submitted on December 31st of each year. This date will be modified to 30 days after the Certificate of Occupancy is issued for the third floor. The metrics have been updated to capture building performance, marketing and partnership information.
- Clarification on what needs to be included in the Certificate of Completion (COC) and when the COC is due.
- Updating the description of the WELL standards and other environmental benchmarking programs that are referenced, including removing the Living Building Challenge and replacing it with the Fitwel program.

No other changes to the development agreement are proposed. The grantee still has an obligation to operate the co-work space for five years from the date of project completion. That obligation is backed by a performance mortgage on the site located at 630 Laura Street and the performance mortgage will be reduced by 20% for each year of operation as a co-work space.

The Ring remains an exciting investment in support of downtown redevelopment goals to attract high tech businesses and activate the downtown core. It contributes to building a positive brand for downtown as a unique co-work space designed to support a high level of health and well-being. Your approval of the grant agreement amendments is recommended.

APPROPRIATION CODE AND AMOUNT:

The grant funds for The Ring are in capital improvement project 388-94893. There is no change to the originally approved grant amount of \$600,000. As of December 21, 2018, \$502,236.74 has been approved for reimbursement.