



## Legislation Text

File #: ID#21-9500, Version: 1

### SUBJECT/RECOMMENDATION:

Approve an agreement for the sale and development of the property located at 115 South Martin Luther King, Jr. Avenue and the adjoining vacant lot to Equity, LLC for the purposes identified in Request for Proposals and Qualifications (RFP/Q) 25-21 and authorize the appropriate officials to execute same.

### SUMMARY:

The purpose of this item is to approve an agreement for the sale and development of the property at 115 South Martin Luther King, Jr. Avenue and the adjoining vacant lot to Equity, LLC for the purposes identified in Request for Proposals and Qualifications (RFP/Q) 25-21. At the May 17, 2021, CRA meeting the CRA Trustees selected Equity, LLC as the winning respondent and authorized the CRA Director to negotiate a sale and development agreement.

After receiving a Letter of Interest and two verbal inquiries on the Community Redevelopment Agency (CRA) owned site at 115 South Martin Luther King, Jr. Avenue, the CRA issued an RFP to select a qualified applicant for the acquisition and development of the property located at 115 South Martin Luther King, Jr. Avenue and the adjoining vacant lot that sits on the NW corner of South Washington and Pierce Street as a restaurant, microbrewery/winery, creative office spaces or similar use designed to serve the surrounding neighborhood. This is a 1+/- acre site located downtown in the Prospect Lake Character District.

The CRA received one response from Equity. The review committee read the proposal and evaluated the Developers Experience and Qualifications, Legal and Financial Feasibility, Ability to Meet Redevelopment Objectives, and Proposed Timeline for Construction. The applicant is proposing to demolish the existing warehouse and construct a live/work/play mixed use development. The project will include a 4,500sf brewery/restaurant with indoor and outdoor amenity space, an 11,000sf creative office and community event space under the CoHatch co-working concept and 35 apartment units. The applicant will purchase the property from the CRA for \$650,000. The total estimated project cost is \$14,815,000. They will provide 25% cash equity and will borrow the remaining 75% from one of three short-listed lenders that have funded projects with them in the past.

The development agreement contains the following conditions:

- The project will be constructed substantially similar to the proposal submitted in response to RFP/Q 25-21 that is attached as an Exhibit to the agreement,
- The applicant's commitment to collaboratively designing the outdoor amenity space with the CRA. This includes utilizing the previously approved \$250,000 incentive funds for outdoor amenities and greenspace preservation,
- Construction will commence by September 1, 2022,
- A purchase price of \$650,000 due upon closing; and,
- Use of the CRA owned parking lot at the corner of Cleveland Street and South Martin Luther King, Jr. Avenue for ten years on a "first come first served" basis.

The proposed project meets the goals outlined in RFP/Q 25-21 that are derived from the 2018 Clearwater

Downtown Redevelopment plan. The proposed project specifically meets the following plan objectives:

Objective 1F: Allow for a variety of residential densities and housing types to provide for a range of affordability and mix of incomes consistent with the Character Districts.

Objective 1G: Continue to utilize a variety of incentives to encourage the construction of new residential uses to locate Downtown.

Objective 2M: Create parking as infrastructure through a park once strategy that utilizes consolidated parking to serve all of Downtown and reduces the requirement for use-by-use on-site parking.

Objective 4A: Encourage redevelopment that contains a variety of building forms and styles.

Objective 4E: Provide shade trees as critical element for walkable streets.

**APPROPRIATION CODE AND AMOUNT:**

\$250,000 in funding is available in R2003 - Economic Development City