



To: Community Redevelopment Agency Board of Directors

From: Carl Callahan, Economic Development Director/City Administrator

Date: January 18, 2017

Re: WORK SESSION - DISCUSSIONS WITH BENEFICIAL COMMUNITIES FOR THE POTENTIAL DEVELOPMENT OF THE MINNIE L. ROGERS PROPERTY

Objective:

On October 27, 2016 the CCRA Advisory Board/Selection Committee voted unanimously to recommend pursuing further discussions and negotiations with Beneficial Communities (Beneficial), a Sarasota based real-estate development company, for the potential development of the Minnie L. Rogers property ("property", also see attached map). Staff is requesting the CCRA Board review and discuss the proposed project, as presented by Beneficial and discussed below, at the January 18, 2017 work session. At the work session, Beneficial will provide a more refined development proposal, timeline, financial structure, and their strategy to successfully execute the project.

After the Work Session, staff will schedule to go before the CCRA Board, at a regular meeting, for the purpose of allowing the Board to formally vote to approve or deny pursuing further discussions and negotiations with Beneficial pertaining to the proposed project.

Proposal:

Beneficial is proposing to develop a multi-use strategy for the property composed of a grocery store and approximately 90 units of affordable housing to be constructed and primarily financed through the use of tax credits. The estimated development cost is approximately \$20 million, with roughly \$15 million of that figure from tax credit proceeds. Beneficial is proposing to incorporate tax credits (9% Tax Credit, New Market Tax Credits), local subsidy as well as conventional debt. Other sources will also be looked at by Beneficial including SAIL, CDBG, HOME, and an FHLB loan.

Background:

On June 3, 2016, the CCRA published a Notice of Invitation to Bid, Negotiate or Develop (NIBND). In the NIBND, the CCRA solicited responses/proposals from interested parties in the development community in order to develop a new Urban Format Grocery store or mixed use project (depending on market demands) on the Minnie L. Rogers property. The deadline for responses was, July 7, 2016.

On July 7, 2016 the following three development entities responded to the NIBND and submitted responses to the CCRA:

- Suncoast Community Development (SCC), based out of Bradenton;
- Beneficial Communities, based out of Sarasota;

- New Direction Community Development Corporation (NDCDC), based out of Sarasota.

On July 18, the CCRA's real-estate and development consultant firm National Development Council (NDC), through KC George, requested additional information from each of the respondents by end of business July 28, 2016 in order to move forward in the selection process.

On July 28, 2016 only SCC and Beneficial responded to NDC's request thus moving forward in the selection process without NDCDC, who did not submit any response to the CCRA by the requested deadline.

On September 13, 2016 SCC and Beneficial presented their development proposals to the public and a Selection Committee, which was composed of the Advisory Board, staff and NDC's KC George. The Selection Committee used an Evaluation Matrix (see attached blank matrix) to score each of the submitted proposals and presentations.

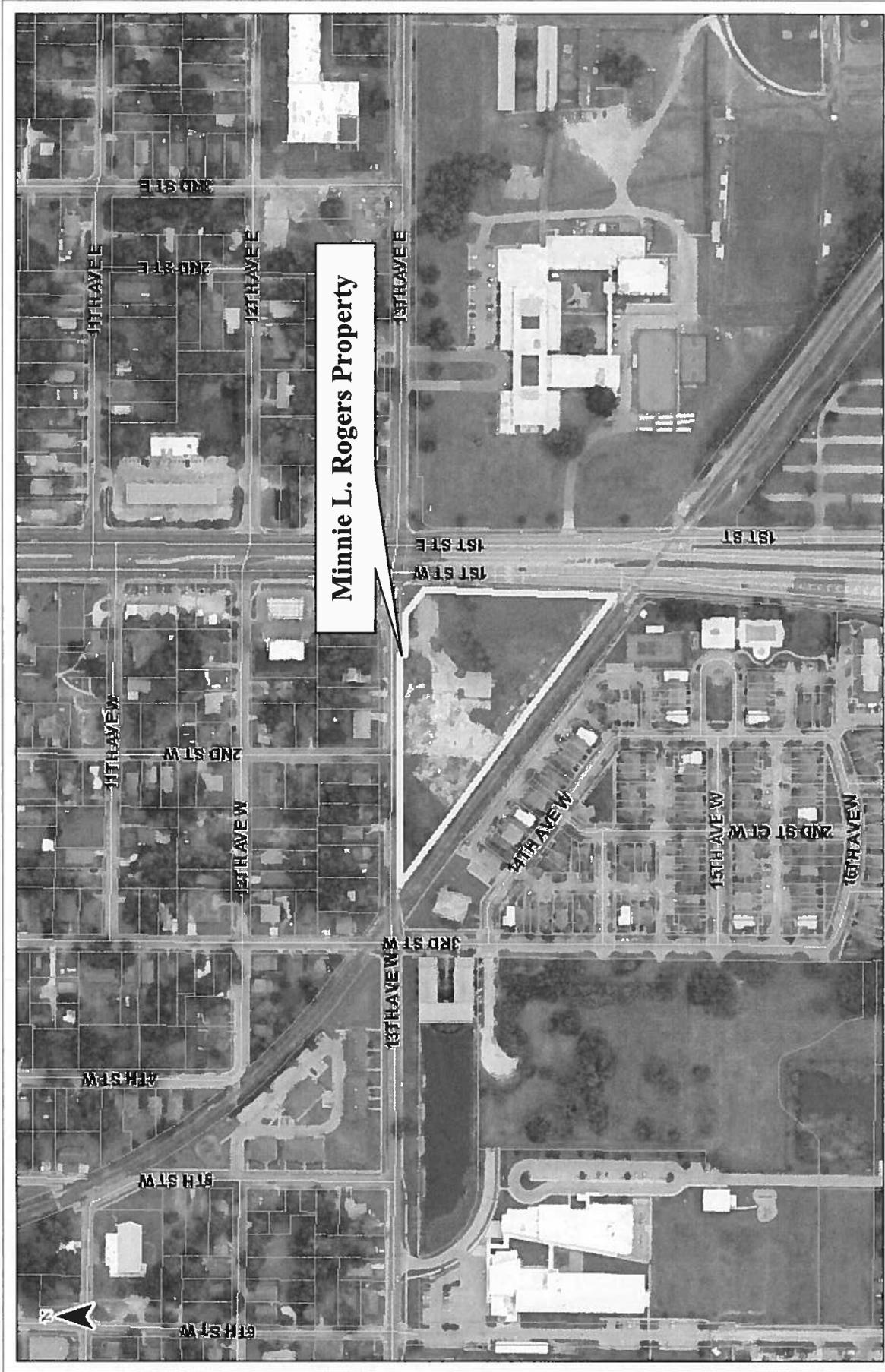
SCC proposed a unique proposal that would consider a deep community engagement process with the surrounding community/neighborhoods so that a thorough review of options could be completed that considered solutions for the food access challenges the community faces. This engagement process would take approximately a year or longer to complete. Examples of options could be: mobile markets, coop grocery store, non-profit market, or other depending on the gathered community input and other data analysis. In their presentation, SCC did not provide a complete project methodology or propose any methods on how to finance their proposed project.

Beneficial proposed a multi-use strategy for the property composed of a grocery store and approximately 90 units of affordable housing to be constructed and primarily financed through the use of tax credits. Since the proposed project is potentially a phased development, the Advisory Board stressed the primary focus and concern of the community is for the developer to deliver a grocery store first, unless both store and housing are concurrently developed.

On October 27, 2016 the Selection Committee/Advisory Board further discussed the NIBND respondents, their presentations, and the findings of the evaluation matrix scores and voted unanimously in favor of Beneficial. The Selection Committee/Advisory Board voted to recommend to the CCRA Board to allow staff to begin further discussions and negotiations with Beneficial for the potential development of the Minnie L. Rogers property.

Attachments:

Property Map
Blank Scoring Matrix
Notice of Invitation to Bid, Negotiate or Develop
Letters from Beneficial
Beneficial Presentation
Development Schedule



Minnie L. Rogers Property

PID #4342500809

Address: 201 or 210 13th Avenue West



Prepared by Department of
Planning and Community Development

Legend

- Subject Property
- Parcels



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