

**SEMINOLE COUNTY GOVERNMENT
AGENDA MEMORANDUM
US 17-92 COMMUNITY REDEVELOPMENT AGENCY**

SUBJECT: Authorization of CRA funds for CRA Economic Redevelopment Grant Agreement for the Roliho Inc./Greenway Plaza Redevelopment Project

DEPARTMENT: Economic Development **DIVISION:** US 17/92 CRA

AUTHORIZED BY: William McDermott ^{WMM} **CONTACT:** Kevin Fall ^[Signature] **EXT.** 7133

Agenda Date <u>11/18/03</u>	Regular <input checked="" type="checkbox"/>	Consent <input type="checkbox"/>	Work Session <input type="checkbox"/>	Briefing <input type="checkbox"/>
	Public Hearing – 1:30 <input type="checkbox"/>		Public Hearing – 7:00 <input type="checkbox"/>	

MOTION/RECOMMENDATION:

Request authorization to appropriate \$500,000 from the 17-92 Redevelopment Trust Fund to participate in the Roliho Inc./Greenway Plaza Redevelopment Project and authorize Chairman to execute attached CRA Economic Redevelopment Grant Agreement as recommended by the US 17-92 Redevelopment Planning Agency.

BACKGROUND:

The US 17-92 Redevelopment Planning Agency, at its November 7, 2003 meeting, recommended forwarding the attached CRA Economic Redevelopment Grant Agreement with Roliho Inc. to the US 17-92 Community Redevelopment Agency for approval.

The proposal presents an opportunity for the US 17-92 Community Redevelopment Agency to participate in and support the redevelopment of the derelict former Kmart retail center into a contemporary commercial power center.

Over the years, the existing facility built in 1979 has experienced an economic downturn not unlike other shopping centers along US 17-92 with a declining customer base, stagnant or declining property values and a downward shift in tenancy and lease/rent rates. The taxable value of the primary parcel decreased from \$3,488,560 in 1998 to \$1,607,140 in 2003, an approximate depreciation of over 53% (or approximately 8.8% per year).

The City of Sanford has secured a private developer, Roliho Inc., who has invested over \$6,000,000 in land acquisition costs and anticipates investing an additional \$6,673,800 over the next 18 months to construct the improvements associated with the Greenway Plaza Redevelopment Project.

The improvements consist of façade improvements to the plaza, resurfacing and re-striping of the parking lot, installation of pedestrian walkways and sidewalk connections, and extensive landscaping. The improvements are more specifically described in the exhibits and summary of costs provided in

Reviewed by	<u>[Signature]</u>
Co Atty:	<u>[Signature]</u>
DFS:	_____
Other:	_____
DCM:	<u>SS</u>
CM:	<u>[Signature]</u>
File No.	<u>KCRAD2</u>

the Redevelopment Proposal for the former Kmart Plaza at Airport Blvd. and US 17-92 attached to the CRA Economic Redevelopment Grant Agreement.

The US 17-92 CRA Redevelopment Grant Agreement is a performance based agreement requiring the developer to attain specific project completion and investment thresholds prior to seeking the CRA grant funds. CRA funds can only be accessed by the developer on a reimbursement basis and only after specific project completion and investment thresholds are met for each phase of the project.

The US 17-92 Community Redevelopment Agency can address several objectives and strategies outlined in the adopted US 17-92 Corridor Redevelopment Plan through their participation and financial support of this redevelopment project including:

- Encourage the reuse of those properties that, by virtue of their location, condition, or value, no longer function at their highest economic potential
 - Provide creative incentives to private sector participants in redevelopment projects and programs
 - Encourage partnerships among property owners and private and public sector groups in order to implement proposed redevelopment projects
- Prevent the future occurrence of blight
 - Eliminate conditions which decrease property values and reduce the tax base
 - Create or promote programs to foster development and rehabilitation of properties, including financial or other economic incentives, to facilitate new investment in the redevelopment district
- Enhance the visual and aesthetic qualities of the redevelopment area through streetscape, landscape, hardscape and gateway projects
 - Encourage existing development to plant additional trees and shrubs, and provide design guidelines for new development that require extensive landscape installation at time of development
- Maintain the diverse identifiable character of each city within the district while promoting economic vitality through private sector investment
 - Improve the investment image of the redevelopment area and use selected public actions to stimulate private investment
 - Expand the economic base of the district by retaining existing jobs while creating new diverse employment opportunities

The project will address the following redevelopment goals in addition to those identified above:

- Provides a "Pilot Project" for future redevelopment of derelict or underutilized shopping centers and/or retail strip centers
- Stimulate private investment along the corridor
- Increases employment opportunities along the corridor
- Reducing visual blight and improvement to overall appearance of the corridor
- Increasing commercial traffic and activity along the corridor
- Provide neighborhood connections to shopping and employment centers on the corridor

Funds are available in the adopted FY03/04 and FY04/05 CRA budgets within the CRA Partnership Redevelopment Demonstration Project account.

Attachment: CRA Economic Redevelopment Grant Agreement

US 17-92 CRA REDEVELOPMENT GRANT AGREEMENT

THIS AGREEMENT is effective as of the _____ day of _____, 2003, by and between the **US 17-92 COMMUNITY REDEVELOPMENT AGENCY**, a public agency created by Resolution No. 97-R-130, pursuant to Florida Statute(s) 165-031, 163.356, or 163.357 of and in the State of Florida, whose address is 1101 East First Street, Sanford, Florida 32771, hereinafter referred to as the "CRA" and **ROLIHO, INC., D/B/A GREENWAY PLAZA**, authorized to do business and doing business in the State of Florida, whose address is 550 North Palmetto Avenue, Sanford, Florida 32771, whose Federal Employer I.D. Number is 59-2846295, hereinafter referred to as "COMPANY".

W I T N E S S E T H:

WHEREAS, the Board of County Commissioners of Seminole County, Florida (the "Board") has established the CRA in accordance with the Community Redevelopment Act of 1969, Chapter 163, Part III, Florida Statutes, in recognition of the need to address, prevent, and eliminate blighted conditions within the community; and

WHEREAS, the BOARD enacted Ordinance Number 97-54 adopting the US 17-92 Corridor Redevelopment Plan (the "Plan") for the purposes of community redevelopment within the US 17-92 Community Redevelopment Area (the "Area"); and

WHEREAS, the CRA is authorized to undertake and carry out community redevelopment projects and related activities in accordance with Florida Statutes Section 163.370; and

WHEREAS, the CRA has identified the need to eliminate blight conditions, increase commercial activity, improve pedestrian safety, and provide job opportunities for area residents in the Plan; and

WHEREAS, the US 17-92 Redevelopment Planning Agency (the "RPA") is empowered to review redevelopment projects, programs, opportunities, and provide recommendations to the CRA as authorized by the Multiparty Interlocal Agreement Establishing the US 17-92 Redevelopment Planning Agency; and

WHEREAS, the RPA has reviewed the proposal for commercial redevelopment of the Greenway Plaza shopping plaza located at US 17-92 and Airport Boulevard in Sanford and the proposed adjacent residential development, collectively known as the Greenway Plaza Commercial Redevelopment and Adjacent Multi-Family Residential Project (the "Project"), presented by the COMPANY and found the Project consistent and complementary to the goals of the Plan; and

WHEREAS, the Project is consistent with the following strategies identified in the Plan:

- Promote and locate strategic land use activities of regional importance within the redevelopment area to capture emerging market opportunities while reinforcing the unique character of the community.
- Identify potential areas for redevelopment as medium and high density housing.
- Establish a partnership between the public sector and the private sector for the purpose of understanding the mutual benefits of proposed redevelopment projects; and

WHEREAS, on November 7, 2003, the RPA unanimously endorsed the Project and recommended the Project be forwarded to the CRA for approval; and

WHEREAS, the COMPANY is proposing, as part of the Project, to renovate and redevelop the Greenway Plaza (formerly K-Mart Plaza) as described in Exhibit "A" "Development Proposal" attached, located within the corporate limits of the City of Sanford and within the geographic boundaries of the Area, at an approximate cost of SIX MILLION SIX HUNDRED SEVENTY-THREE THOUSAND EIGHT HUNDRED AND NO/100 DOLLARS (\$6,673,800.00), which sum represents a significant capital investment; and

WHEREAS, the COMPANY is proposing, as part of the Project, to develop and build three hundred (300) multi-family townhomes at a rate of approximately one hundred (100) per year for three (3) years, as described in Exhibit "A", located within the corporate limits of the City of Sanford and within the geographic boundaries of the Area, at a total cost of THIRTY-SIX MILLION DOLLARS (\$36,000,000), which sum represents a significant capital investment; and

WHEREAS, on _____, 2003, the CRA authorized financial assistance from the 17-92 Redevelopment Trust Fund in the form of a CRA Economic Redevelopment Grant Agreement to the COMPANY to assist the COMPANY in the construction of the Project; and

WHEREAS, the CRA and the COMPANY desire to enter into this Agreement for the purpose of establishing additional assurances to the CRA that expenditures of the CRA related to the Project will produce a

positive economic effect in the Area as a result of the COMPANY'S activities in the Area,

NOW, THEREFORE, in consideration of the premises and mutual covenants hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties do hereby covenant and agree as follows:

SECTION 1. RECITALS.

(a) The above recitals are true and correct and form a material part of this Agreement upon which the parties have relied.

(b) The CRA finds and declares that it is in the public's best interest and serves a public purpose to award a CRA Economic Redevelopment Grant from the 17-92 Redevelopment Trust Fund to the COMPANY in the amount of FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$500,000.00) pursuant to the terms of this Agreement.

SECTION 2. DEFINITIONS.

(a) "Project" - includes all development, renovation, construction, and redevelopment as proposed in Exhibit "A". Renovation of the plaza shall be done in three (3) phases: Renovation, Public Areas and Perimeter Improvements, and New Construction. The Renovation Phase is to be completed by December 31, 2003, the Public Areas and Perimeter Improvements Phase is to be completed by December 31, 2004, and the New Construction Phase is to be completed by December 31, 2006.

(b) "Completion Thresholds" - the phases of the redevelopment Project shall be deemed completed when a specified amount has been

expended by the COMPANY as direct investment into the Property/building, as verified by the CRA. These thresholds are:

Renovation Phase - ONE MILLION EIGHT HUNDRED SIXTY-TWO THOUSAND AND NO/100 DOLLARS (\$1,862,000.00).

Public Areas and Perimeter Improvements Phase - TWO HUNDRED EIGHTY-EIGHT THOUSAND EIGHT HUNDRED AND NO/100 DOLLARS (\$288,800.00)

New Construction Phase - FOUR MILLION FIVE HUNDRED TWENTY-THREE THOUSAND NO/100 DOLLARS (\$4,523,000.00).

The measurement period above includes expenditure from the date that the COMPANY took possession of the affected parcels.

(c) "Award Payouts" - Award payouts for the Renovation Phase shall be made only after the COMPANY has satisfied the completion thresholds for the Phase of the Project within the prescribed time period referenced in Sections 2(a) and (b) of this Agreement, and expenditures have been verified by the CRA.

Renovation Phase - The award upon completion of the Renovation Phase shall be SIXTY-THREE THOUSAND THREE HUNDRED SIXTY AND NO/100 DOLLARS (\$63,360.00).

Public Areas and Perimeter Improvements Phase - The award upon completion of the Public Areas and Perimeter Improvements Phase shall be TWO HUNDRED EIGHTY-EIGHT THOUSAND EIGHT HUNDRED AND NO/100 DOLLARS (\$288,800.00).

New Construction Phase - The award upon completion of the New Construction Phase shall be ONE HUNDRED FORTY-SEVEN THOUSAND EIGHT HUNDRED FORTY AND NO/100 DOLLARS (\$147,840.00). The New Construction Phase will include several structures to be completed over time, but

in no way later than December 31, 2006. Therefore, a percentage of the award will be paid out annually based on the corresponding percentage of expenditures incurred as part of the total New Construction Phase.

(d) "Allowable Costs" - Any costs allowable by law, associated with the redevelopment, renovation, and construction of the Project as described in Exhibit "A". Said costs may include site development costs, construction costs, construction materials costs, impact fees, or professional services fees associated with the Project.

SECTION 3. REPRESENTATIONS OF THE COMPANY. The COMPANY hereby represents and warrants to the CRA the following:

(a) The COMPANY is duly organized and validly existing under the laws of the State of Florida and is authorized to do business in the State of Florida.

(b) The COMPANY has the corporate power, authority, and legal right to execute, deliver, and perform this Agreement. The execution, delivery, and performance of this Agreement by the COMPANY have been duly authorized by all necessary corporate and shareholder action.

(c) The COMPANY'S Project Manager shall be Bob Horian, or his designee.

SECTION 4. COVENANTS OF THE COMPANY. The COMPANY hereby covenants with the CRA to do the following:

(a) The COMPANY agrees to redevelop the Greenway Plaza as more specifically described in Exhibit "A" and in accordance with the schedule set forth in Section 2(a) of this Agreement.

(b) The COMPANY agrees to satisfy the terms as described in Section 2(b) of this Agreement before requesting the disbursement of the award associated with satisfaction of the Renovation and New Construction Phase terms. The COMPANY will not request disbursement of award funds until the terms and conditions of Sections 2(a) and (b) have been satisfied by submission of such invoices and proofs of payment as may be required by the CRA.

(c) The COMPANY shall provide written verification, including invoices and proofs of payment, satisfactory to the CRA, demonstrating compliance with this Agreement.

(d) When the Project is complete, the COMPANY shall cause notice to be given to the CRA and will make any related documentation available for review and inspection by the CRA.

SECTION 5. COVENANTS OF THE CRA.

(a) Upon submission of proof of satisfaction of the terms described in Section 2(b), and submission of allowable costs incurred by the COMPANY as a result of the activities described in Exhibit "A" which are satisfactory to the CRA, the CRA will cause to be issued a payment to the COMPANY for demonstrated and allowable costs incurred up to SIXTY-THREE THOUSAND THREE HUNDRED SIXTY AND NO/100 DOLLARS (\$63,360.00) for Renovation Phase redevelopment costs.

(b) Upon submission of proof of satisfaction of the terms described in Section 2(b), and submission of allowable costs incurred by the COMPANY as a result of the activities described in Exhibit "A" which are satisfactory to the CRA, the CRA will cause to be issued a payment to the COMPANY for demonstrated and allowable costs incurred

up to TWO HUNDRED EIGHTY-EIGHT THOUSAND EIGHT HUNDRED AND NO/100 DOLLARS (\$288,800.00) for Public Areas and Perimeter Improvements Phase redevelopment costs.

(c) Upon submission of proof of satisfaction of the terms described in Section 2(b), and submission of allowable costs incurred by the COMPANY as a result of the activities described in Exhibit "A" which are satisfactory to the CRA, the CRA will cause to be issued a payment to the COMPANY for demonstrated and allowable costs incurred up to ONE HUNDRED FORTY-SEVEN THOUSAND EIGHTY HUNDRED FORTY AND NO/100 DOLLARS (\$147,840.00) for New Construction Phase redevelopment costs.

SECTION 6. TERM. This Agreement shall become effective upon execution by the CRA and the COMPANY and shall remain in effect until December 31, 2007.

SECTION 7. REPORTS. Upon completion of the Project, the COMPANY shall provide a report to the CRA demonstrating the COMPANY'S satisfaction of the terms and criteria listed in Exhibit "A".

SECTION 8. FORCE MAJEURE. In the event any party hereunder fails to satisfy a requirement imposed in a timely manner, due to a hurricane, flood, tornado, or other Act of God or force majeure, then said party shall not be in default hereunder; provided, however, that performance shall recommence upon such event ceasing its effect.

SECTION 9. BINDING EFFECT. This Agreement shall be binding upon and inure to the benefit of the parties hereto and the successors in interest, transferees and assigns of the parties.

SECTION 10. ASSIGNMENT. This Agreement shall not be assigned by either party without the prior written approval of the other.

SECTION 11. PUBLIC RECORDS. The COMPANY shall allow public access to all documents, papers, letters or other materials which have been made or received by the COMPANY in conjunction with this Agreement.

SECTION 12. RECORDS AND AUDITS.

(a) The COMPANY shall maintain in its place of business all books, documents, papers and other evidence pertaining to work performed under this Agreement. Such records shall be and remain available at the COMPANY'S place of business at all reasonable times during the term of this Agreement and for two (2) years after Agreement closure.

(b) The COMPANY agrees that the CRA or its duly authorized representatives shall, until the expiration of two (2) years after Agreement closure, have access to examine any of COMPANY'S books, documents, papers and records involving transactions related to this Agreement. The COMPANY agrees that payments made under this Agreement shall be subject to reduction for amounts charged which are found on the basis of audit examination not to constitute allowable costs.

(c) All required records shall be maintained until an audit has been completed and all questions arising from it are resolved or until two (2) years after closure of the Agreement, in writing, and submission of a final invoice, whichever is sooner. Company will provide proper facilities for access to and inspection of all required records.

SECTION 13. NOTICES.

(a) Whenever either party desires to give notice unto the other, notice may be sent to:

For CRA:

US 17-92 Community Redevelopment Agency
1101 East First Street
Sanford, Florida 32771

with copies to:

Seminole CRA Economic Development Department
Kevin Fall, Coordinator, US 17-92 Community Redevelopment Agency
1101 East First Street
Sanford, Florida 32771

For COMPANY:

Roliho, Inc. d/b/a Greenway Plaza
550 N. Palmetto Avenue
Sanford, Florida 32771

(b) Either of the parties may change, by written notice as provided herein, the addresses or persons for receipt of notices or invoices. All notices shall be effective upon receipt.

SECTION 14. INDEMNITY AND INSURANCE.

(a) Each party to the Agreement is responsible for all personal injury and property damage attributable to the negligent acts or omissions of that party and the officers, employees and agents thereof.

(b) To the extent allowed by law, each party to this Agreement shall indemnify, save and hold harmless the other party and all of its respective officers, agents and employees from and against all losses and all claims, demands, payments, suits, actions, recoveries and judgments of every nature and description whatsoever, including claims for property damage and claims for injury to or death of persons brought or recovered against the other party to this Agreement by reason of any act or omission of the responsible party, its respective officers,

SECTION 16. EQUAL OPPORTUNITY EMPLOYMENT.

(a) The COMPANY agrees that it will not discriminate against any contractor, employee or applicant for employment or work under this Agreement because or on account of race, color, religion, sex, age or national origin and will insure that applicants and employees are treated during employment without regard to race, color, religion, sex, age or national origin. This provision shall include, but not be limited to, the following: retention; award of contracts; employment; upgrading, demotion or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

(b) The COMPANY agrees that it will comport all of its activities with the provisions of Chapter 760, Florida Statutes.

SECTION 17. COMPLIANCE WITH LAWS AND REGULATIONS. In performing under this Agreement, the parties shall abide by all laws, statutes, ordinances, rules and regulations pertaining to, or regulating the performance set forth herein, including those now in effect and hereafter adopted. Any material violation of said laws, statutes, ordinances, rules or regulations shall constitute a material breach of this Agreement, and shall entitle the non-violating party to terminate this Agreement immediately upon delivery of written notice of termination to the violating party.

SECTION 18. EMPLOYEE/COMPANY STATUS.

(a) Persons employed or retained by the COMPANY in the performance of services and functions pursuant to this Agreement shall have no claim to pension, workers' compensation, unemployment

agents, subcontractors or employees, in the execution of the work relating to this Agreement.

(c) The parties further agree that nothing contained herein shall be construed or interpreted as denying to any party any remedy or defense available to such parties under the laws of the State of Florida, nor as a waiver of sovereign immunity of the CRA beyond the waiver provided for in Section 768.28, Florida Statutes.

(d) The COMPANY shall provide necessary workers' compensation coverage and unemployment compensation for its employees.

Section 15. Conflict of Interest.

(a) The COMPANY agrees that it will not engage in any action that would create a conflict of interest in the performance of its obligations pursuant to this Agreement with the CRA or which would violate or cause others to violate the provisions of Part III, Chapter 112, Florida Statutes, relating to ethics in government.

(b) The COMPANY hereby certifies that no officer, agent or employee of the CRA has any material interest (as defined in Section 112.312, Florida Statutes) either directly or indirectly, in the business of the COMPANY to be conducted here, and that no such person shall have any such interest at any time during the term of this Agreement.

(c) Pursuant to Section 216.347, Florida Statutes, the COMPANY hereby agrees that monies received from the CRA pursuant to this Agreement will not be used for the purpose of lobbying the Legislature or any other State or Federal Agency.

compensation, civil service or other employee rights or privileges granted to the CRA's officers and employees either by operation of law or by the CRA.

(b) The COMPANY assumes total responsibility for salaries, employment benefits, contractual rights and benefits, contract payments, and Federal, State and local employment taxes, if any, attributable to the COMPANY personnel or contractors and agrees to indemnify and hold the CRA harmless from any responsibility for same.

(c) In performing this Agreement, planning, developing, constructing, equipping and operating the Project or carrying out any of the activities to be carried out by the COMPANY, the COMPANY will be acting independently, in the capacity of an independent entity, and not as a joint venturer, partner, associate, employee, agent or representative of the CRA.

SECTION 19. NO THIRD-PARTY BENEFICIARIES. This Agreement is made for the sole benefit of the parties hereto and their respective successors and assigns, including any successor in interest to the COMPANY's interest in the Project, and is not intended to and shall not benefit any third party. No third party shall have any rights hereunder or as a result of this Agreement or any right to enforce any provisions of this Agreement.

SECTION 20. CONTINGENT FEES/CONFLICTING EMPLOYMENT.

(a) The COMPANY covenants that it has employed and retained only bona fide employees working for the COMPANY and attorneys and consultants, to solicit or secure this Agreement. The CRA warrants that it has not paid or agreed to pay any person, company, corporation,

individual or firm, other than a bona fide employee working for the COMPANY, any fee, commission, percentage, gift or any other consideration, contingent upon or resulting from the award of making of this Agreement.

(b) The COMPANY agrees that at the time of execution of this Agreement it has no retainer or employment agreement, oral or written, with any third party relating to any matters which adversely affect any interest or position of the CRA. The COMPANY shall not accept during the terms of this Agreement any retainer or employment from a third party whose interests appear to be conflicting or inconsistent with those of the CRA.

SECTION 21. GOVERNING LAW/ATTORNEYS' FEES. This Agreement shall be construed and interpreted according to the laws of the State of Florida. In the event of litigation between the parties arising from or pertaining to this Agreement, the prevailing party shall be entitled to recover from the other, reasonable trial and appellate attorneys' fees and costs.

SECTION 22. CONSTRUCTION OF AGREEMENT. This Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the parties, it being recognized that both parties, CRA and COMPANY, have contributed substantially and materially to the preparation hereof.

SECTION 23. CONSTITUTIONAL AND STATUTORY LIMITATION ON AUTHORITY OF THE CRA. The terms and conditions of this Agreement placed upon the CRA are applicable only to the extent they are within and consistent

with the constitutional and statutory limitations on the authority of the CRA. Specifically, the parties acknowledge that the CRA is without authority to grant or pledge a security interest in any of the CRA's revenue sources or property.

SECTION 24. EVENTS OF DEFAULT/REMEDIES. For purposes of this Agreement, "Event of Default" shall mean any of the following:

(a) The COMPANY shall misapply or cause the misapplication of CRA funds or credits received pursuant to this Agreement.

(b) Any representation or warranty made by the COMPANY herein or in any statement, invoice or certificate furnished to the CRA in connection with the performance of the Agreement proves to be untrue in a material respect as of the date of issuance or making thereof and shall not be corrected or brought into compliance within thirty (30) days after written notice thereof to COMPANY by CRA.

(c) The COMPANY shall materially breach any covenant contained in this Agreement and such breach shall not be corrected or cured within thirty (30) days after written notice thereof to the COMPANY by the CRA; provided, however, that the CRA may declare a lesser cure period in the event that it finds, in its sole and absolute discretion, that such lesser period is necessary to protect the public health, safety or welfare.

(d) The COMPANY fails to provide to the CRA the written verification, satisfactory to the CRA, of its performance obligations herein.

(e) The COMPANY fails to satisfy the terms and conditions of Exhibit "A".

SECTION 25 COUNTERPARTS. This Agreement may be executed in any number of counterparts each of which, when executed and delivered, shall be an original, but all counterparts shall together constitute one and the same instrument.

SECTION 26. HEADINGS. All sections and descriptive headings in this Agreement are inserted for convenience only, and shall not affect the construction or interpretation hereof.

SECTION 27. TIME. Time is of the essence of this Agreement.

SECTION 28. SEVERABILITY. If any provision, term or clause of this Agreement is determined to be invalid or unenforceable by a Court of competent jurisdiction, said determination shall not, in any way, effect the obligation of the parties as provided for or referred to herein and, to that end, the provisions of this Agreement shall be deemed severable. However, such invalidity or unenforceability shall preclude the continuing effect of this Agreement if a failure of consideration were to occur.

SECTION 29. ENTIRE AGREEMENT.

(a) This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof, and may not be modified or amended except by a written instrument equal in dignity herewith and executed by the parties to be bound thereby.

(b) No waiver or consent to any departure from any term, condition or provision of this Agreement shall be effective or binding upon any party hereto unless such waiver or consent is in writing, signed by an authorized officer of the party giving the same and delivered to the other party.

(c) The COMPANY agrees that no representations have been made by the CRA in order to induce the COMPANY to enter into this Agreement other than as expressly stated in this Agreement.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement for the purposes stated herein.

ATTEST:

ROLIHO, INC.
D/B/A GREENWAY PLAZA

Secretary

By: _____
President

(CORPORATE SEAL)

Date: _____

ATTEST:

US 17-92 COMMUNITY REDEVELOPMENT AGENCY

By: _____
DARYL G. MCLAIN, Chairman

Date: _____

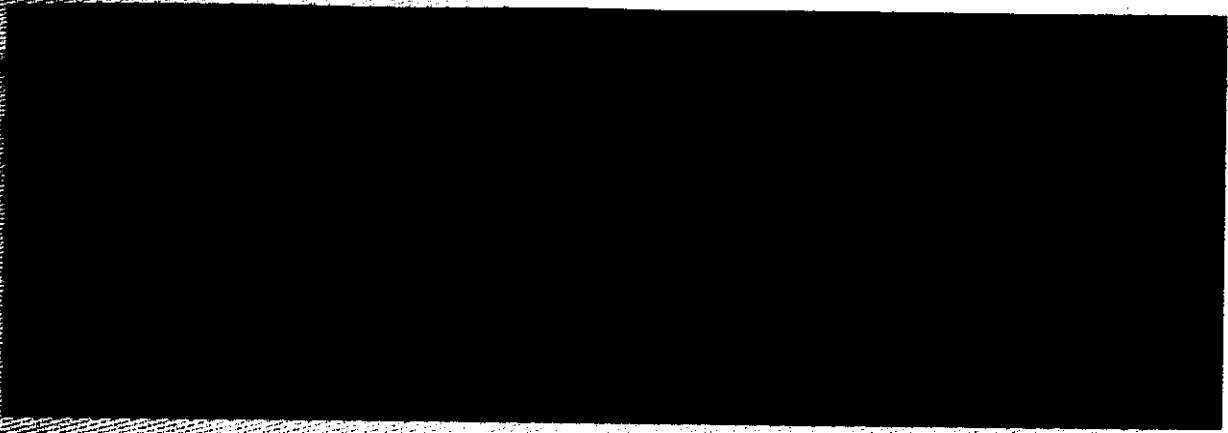
For the use and reliance of Seminole County only.

As authorized for execution by the US 17-92 CRA at their _____, 20____ regular meeting.

Approved as to form and legal sufficiency.

County Attorney
AC/lpk
10/1/03 10/29/03
us1792 cra redevelop grant agt-Roliho

Attachment:
Exhibit "A" - Development Proposal



**Redevelopment Proposal for the Former K-Mart Plaza at Airport
Boulevard and US 17-92**



Executive Summary

This proposal presents an opportunity for the US 17-92 Community Redevelopment Agency to participate in and support the proposed redevelopment of the derelict former K-Mart retail center into a contemporary, commercial power-center. This proposal provides a unique opportunity for the US 17-92 CRA to be part of a visible change in our community. This commercial power-center can be an example of the US 17-92 CRA's commitment to redevelop the US 17-92 corridor. The project site is located at the south east corner of US 17-92 and Airport Boulevard in the City of Sanford. This intersection is rapidly becoming one of the primary access points to Sanford and the US 17-92 corridor via the Greenway, I-4 and the expanded Airport Boulevard. The amount and nature of the requested support is in the form of an Economic Redevelopment Grant from the CRA in the amount of \$500,000 to offset a small portion (~3.85%) of the developer's redevelopment costs associated with the commercial re-energizing of the currently derelict commercial center.

The City has secured a private developer who has invested over \$6 million dollars in the project in land acquisition costs alone (**See Exhibit F**), and anticipates investing an additional \$6.385 million dollars throughout the next 18 months. The developer associated with this proposal has an extensive and successful history in retail commercial construction and development in the central Florida area.

This represents a significant private investment in the community and enables the US 17-92 Community Redevelopment Agency the opportunity to realize several redevelopment goals and objectives. Public participation by the US 17-92 Community Redevelopment Agency can act as a catalyst for other public/private partnership projects. Without public partnership and financial participation, the implementation and corresponding level of private sector investment of the project is not certain. The City of Sanford supports the developer's efforts to remove visual blight, create employment opportunities and increase property values along the US 17-92 corridor. The City is seeking partnership support through its annual TIF contribution to the Redevelopment Trust Fund. The City of Sanford will contribute \$224,671.00 in TIF revenue to the CRA Redevelopment Trust Fund in 2003/2004 and \$263,239.00 , \$310,629.00 and \$360,389.00 during fiscal years 2004/2005, 2005/2006 and 2006/2007 respectively.

Proposed Redevelopment

Physical Improvements to Shopping Plaza

The overall proposed project includes the physical redevelopment of the derelict former K-Mart retail center. The planned physical improvements will transform the dated retail center into a contemporary and flourishing commercial power center. Artistic renderings of the physical and façade improvements to the plaza as well as existing conditions are shown in **Exhibits A and B**.

Improvements to the parking lot of plaza, including resurfacing, re-striping, installation of walkways and extensive landscaping, are shown in **Exhibit C**.

Physical Improvements to Public Areas Surrounding the Shopping Plaza

Additional improvements are planned for the public areas that surround the plaza. These improvements will improve vehicle and pedestrian safety, facilitate ease of traffic flow, and improve pedestrian access to the commercial center while also improving the visual appearance of the area around the plaza. The improvements to the common areas surrounding this project would help integrate the project into the fabric of the corridor and community while also expanding the redeveloped and improved area to outside the physical boundaries of the commercial center itself. The physical improvements to the surrounding area shown in **Exhibit-D**. These improvements include extensive landscaping with hardy, drought resistant trees, shrubs and plants, installation of sidewalks and pedestrian crossings. The developer has also expressed the desire to maintain the landscaping for three years following installation in order to assure that the plants 'take' and survive.

Other Future Improvements to Public Areas Surrounding the Shopping Plaza

Future enhancements to public areas not shown in this proposal include the installation of a transit stop on US 17-92 in front of the plaza. The City has entered into discussions with Lynx regarding the installation of a transit stop and shelter to serve the redeveloped commercial center.

Improvement of the Economic Conditions/Opportunities in the Immediate Community

In addition to the physical improvements to the facility, the developer will also seek to increase the area's employment opportunities for residents, to increase Ad-Valorem and Sales taxes generated by the facility's tenants, as well as increasing building tenancy and rent rates associated with the facility. This will be achieved by the developer aggressively marketing the facility to their established network of commercial and retail business contacts. Subsequent relocation of high-end retailers, restaurants and other hospitality and service providers to the

renovated commercial center will re-energize and reinvigorate this commercial center. Potential future tenants of the renovated commercial center have expressed an earnest desire to relocate their facilities to this new site *contingent upon physical improvements to the center being completed.*

Significant employment opportunities will be created by the redevelopment of this commercial center. Currently the center provides employment for 40-45 persons. It is anticipated that complete redevelopment of the facility and its out-parcels will result in an additional 90-120 new retail and service jobs being created. Based on industry standards for wages for Retail Sales and Sales Clerks, \$8.00 an hour, these new jobs could represent a local payroll of ~\$1,497,600 to \$1,996,800.

Ancillary Development-Multi-Family Residential Units

The development group has also purchased an adjacent 43.23 acres of vacant land to the immediate east of the proposed commercial power center. The long range development plans include the construction of a 300 unit, multi-family residential complex. The anticipated beginning sale price of the homes is \$120,000.00. The estimated value of the complex will be \$36,000,000.00 (See Exhibit E for location). This proposed development lies within the Community Redevelopment Area boundaries.

Anticipated Ad-Valorem Community Redevelopment Agency Tax Revenue and Return on Investment Amounts Due Shopping Plaza Redevelopment

Subsequent to the proposed redevelopment of the complex, it is anticipated that the facility will generate \$136,279 in additional annual City and County ad-valorem taxes¹. These funds will enable the US 17-92 CRA to participate in additional redevelopment partnership projects in the future. These funds do not include the additional ad-valorem tax revenues that would be generated from the out-parcel development. Based on the anticipated additional ad-valorem tax revenue from the redevelopment of the commercial center only, *the proposed Economic Redevelopment Grant from the US 17-92 Community Redevelopment Agency would be repaid within 3.6 years*. The award may be repaid within a shorter period of time contingent upon the timing of the development of the out-parcels.

Anticipated Ad-Valorem Community Redevelopment Agency Tax Revenue and Return on Investment Amounts Due Adjacent Housing Multi-Family Development

*The anticipated additional annual County and City taxes that would be generated by the proposed multi-family residential development adjacent to the project site would be \$768,373.00.*² This ancillary development location is within the US 17-92 Special Taxing district, therefore any additional ad-valorem taxes generated by this project would also be available for use by the CRA. These funds will enable the US 17-92 CRA to participate in additional redevelopment partnership projects in the future.

¹ Based on new capital investment of \$6.8 million.

² Based on Capital Investment amount of \$36,000,000.00

Background

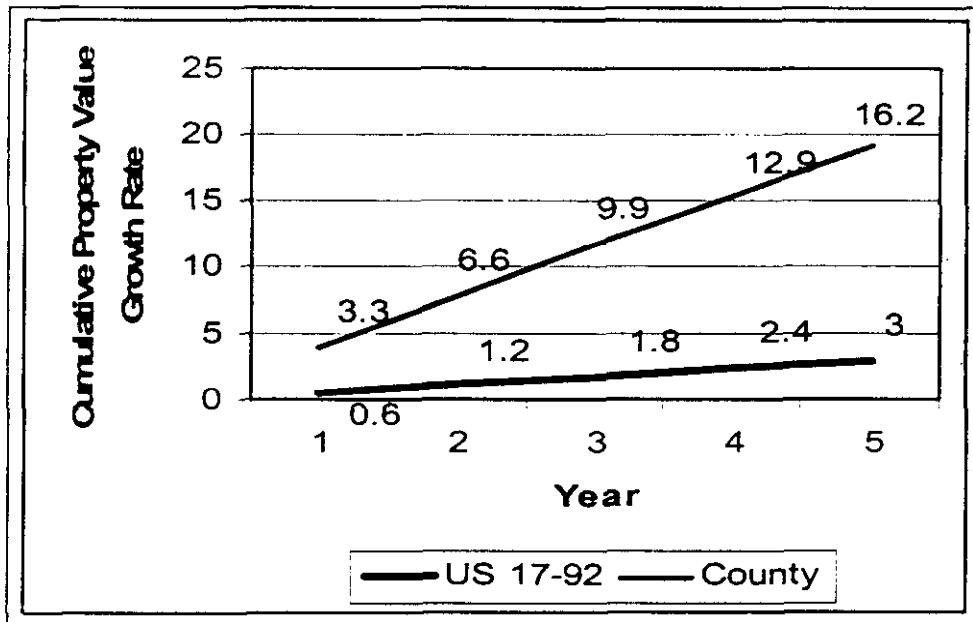
Historically Blighted Area

The project area lies on the southeastern corner of US 17-92 and Airport Boulevard in Sanford, Florida. The project includes 9 parcels, approximately 13 acres, not including those acres associated with the proposed adjacent multi-family residential site.

The US 17-92 Corridor Redevelopment Plan, (1997) showed the property values associated with the US 17-92 corridor to have been growing at the anemic rate of 0.6% annually for the 5 years before the study. Property Value growth rates throughout the County for the same period was a steady 3.3% annually.

The graph below shows the historic property value growth rate of the US 17-92 Corridor compared to that of the rest of Seminole County.

US 17-92 Property Values Growth VS. Seminole County Property Value Growth



The existing facility was originally built in 1979 as a home to the K-Mart store. Subsequent development of the parcels included out-parcel development, restaurants, as well as miscellaneous small retail located in the center. Over the years the facility suffered the same economic downturn experienced by other shopping center's and commercial tenants along US 17-92 with a declining customer base, stagnant or declining property values and a downward shift in tenancy and rental/lease rates with little reinvestment or improvements made by the property owners(s).

The taxable value of the primary parcel decreased from \$3,488,560 in 1998 to \$1,607,140 in 2003, an approximate depreciation of over 53% (average annual depreciation of 8.8%)

In 2002 the facility's occupancy rate was 20% and the average lease rate per square foot was \$9.50. Tenants included a temporary labor pool, a thrift store, a rent-to-own furniture store and a tavern. The anticipated lease rate for space in the renovated commercial center will be \$10-15 per square foot.

The facility had been the location of at least two (2) calls for service to the Sheriff's Office in 2002 associated with transients and vagrants.

Developer Begins Redevelopment Design

In 2003, Suncor Properties, Inc. purchased the above listed parcels and began to design what the refurbished commercial center could look like. Additionally, Suncor chose not to renew the leases with some of the 'problematic' tenants while signing leases with new tenants in order to generate revenue flow and commercial activity with the center. One of the new tenants is Sticks and Stuff a furniture retailer. Kash and Karry grocery store is another of the current primary tenants at the plaza. The developer is currently negotiating with several "name brand" retailers to locate their businesses at this site. Additionally the developer is negotiating with a restaurateur to locate a facility at one of the plaza outparcels.

US 17-92 Community Redevelopment Agency (CRA) Goals and Objectives Realized by the Redevelopment of the Former K-Mart Commercial Plaza

The US 17-92 Community Redevelopment Agency can address several of the goals and objectives outlined in their US 17-92 Corridor Redevelopment Plan through their participation in and financial support of this proposed redevelopment project. Objectives that can be positively impacted through the proposed project include:

❖ ***The reduction of visual blight and improve the overall appearance of the corridor.***

This project is located at one of the primary entry points for US 17-92. Reduction of visual blight will be achieved through the renovation and modernization of the existing, dilapidated building facades with contemporary, visually appealing facades that incorporate the aesthetic design guidelines of the proposed US 17-92 Gateway Corridor Overlay Standards Classification, (See Exhibit(s) A, B and C). Additionally landscape improvements to the facility and parking lot will create a functional, safe and visually appealing area for the public.

The proposed improvements to the public areas surrounding the perimeter of the project area (See Exhibit D) will improve the visual appearance of the interface areas between the project site and the surrounding community. This improvement will also increase pedestrian safety and access to the site for employment and utilization of the retailers.

❖ ***Increasing commercial traffic and activity along the corridor.***

Preliminary activity by the developer has already effected an increase in positive commercial activity at the plaza with the signing of two (2) long term tenants (Kash & Karry and Sticks and Stuff). Additional potential tenants have expressed an interest in relocating to the plaza once specific enhancements and renovations to the facility have been achieved. The subsequent relocation of 'name' market retailers and hospitality/service providers to this facility is anticipated to greatly increase the commercial activity associated with the plaza and commensurately that of the rest of corridor.

❖ ***Provide neighborhood connections to shopping and employment centers on US 17-92.***

The proposed and future improvements to the public areas surrounding the perimeter of the project area (See Exhibit D) will enhance pedestrian safety and improve the physical connections of the facility to the surrounding neighborhoods and communities. Future improvements including sidewalks, a transit stop, and enhanced pedestrian crosswalks, will provide neighboring residents increased access options for use of the facility. Automobiles will not be the only way to access the facility. Nearby residents will be able to walk, bike or bus to work or to shop at the plaza.

❖ ***Reducing potential traffic safety and flow issues associated with car and pedestrian interaction.***

Increased pedestrian and vehicular safety will be achieved by the landscaping and improvements made to the plaza's parking lot area. Landscape islands, crosswalk striping and directional marking within the parking lot will reduce the potential for traffic related accidents within the plaza and improve pedestrian safety within the parking lot. See **Exhibit C**.

❖ ***Stimulate private sector investment along US 17-92 corridor.***

The aggregation and assembly of the parcels by the developer already represents a significant investment by the private sector in the US 17-92 corridor (Over \$6 Million dollars). The proposed improvements to the facades, parking lots and public areas will also represent an additional significant private investment (Over \$6.3 Million Dollars) in the US 17-92 corridor will serve to reverse a trend of depreciating property values along the corridor.

These significant investments are precursors of additional private sector development and investment in the project area. Specifically, the developer has received significant interest in the development of the two out-parcels (parcels # 0-12-20-30-512-0000-0400 and 12-20-30-3000-09A-0000) by hospitality/restaurant developers. Subsequent redevelopment of these out-parcels into restaurants could generate an additional \$3-\$5 million dollars in private sector investment in the project area.

The development group has also purchased an adjacent 43.23 acres of vacant land to the east of the proposed commercial power center. The long range development plans include the construction of a 300 unit, multi-family residential complex. The anticipated beginning sales price of the homes is \$120,000.00 The estimated value of the complex will be \$36,000,000.00 (**See Exhibit E for location**). This proposed development lies within the Community Redevelopment Area boundaries. **Exhibit F** shows all the developer owned parcels that would be part of this redevelopment project.

Summary

The City of Sanford supports this project and seeks participation by the US 17-92 Community Redevelopment Agency to partner with and support the proposed redevelopment of the derelict former K-Mart retail center into a contemporary, commercial power-center. The amount and nature of the requested support is in the form of an Economic Redevelopment Grant from the CRA in the amount of \$500,000 to offset a small portion (~3.85%) of the developer's redevelopment costs associated with the commercial re-energizing of the currently derelict commercial center.

The project will generate \$136,279 in additional annual City and County ad-valorem taxes³. The Return on Investment period for the award is 3.6 years based on new ad-valorem taxes alone.

The redevelopment proposal satisfies the conditions outlined in the US 17-92 Redevelopment Plan and will also allow the US 17-92 CRA to realize several key goal and objectives identified in the US 17-92 Redevelopment Plan:

- ❖ ***Provides a 'Pilot-Project' for future redevelopment of derelict shopping centers into Commercial-Power Centers ;***
- ❖ ***Provides a 'Pilot-Project' for implementation of the US 17-92 Aesthetic Design Guidelines;***
- ❖ ***Reduces the visual blight and improves the overall appearance of the corridor;***
- ❖ ***Increases commercial traffic and activity along the corridor;***
- ❖ ***Increase employment opportunities along the corridor;***
- ❖ ***Provides neighborhood connections to shopping and employment centers on US 17-92;***
- ❖ ***Stimulates private sector investment along US 17-92 corridor; and,***
- ❖ ***Improves visibility, credibility and image of US 17-92 Community Redevelopment Agency within the business and development community.***

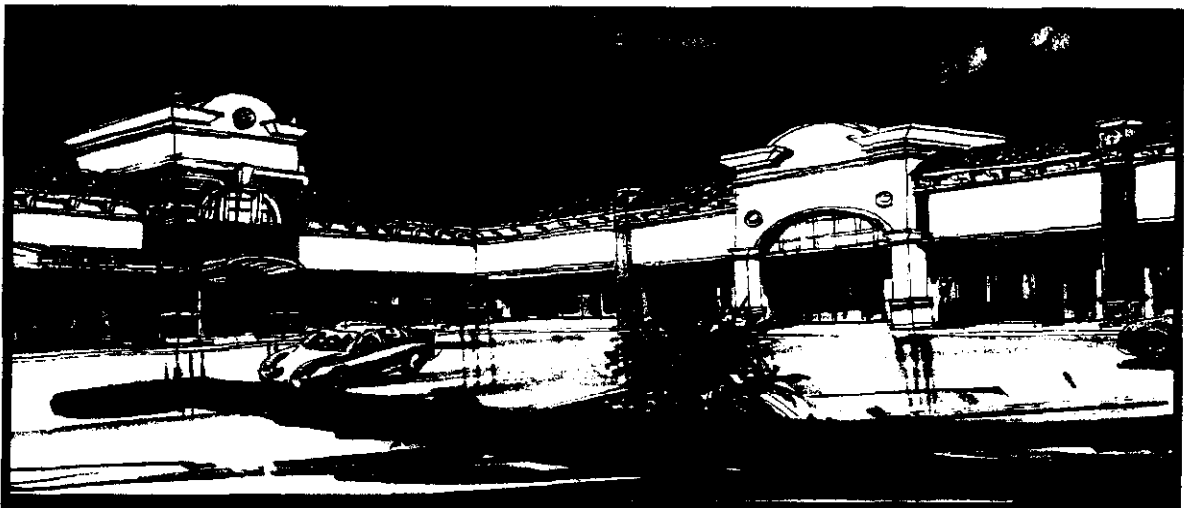
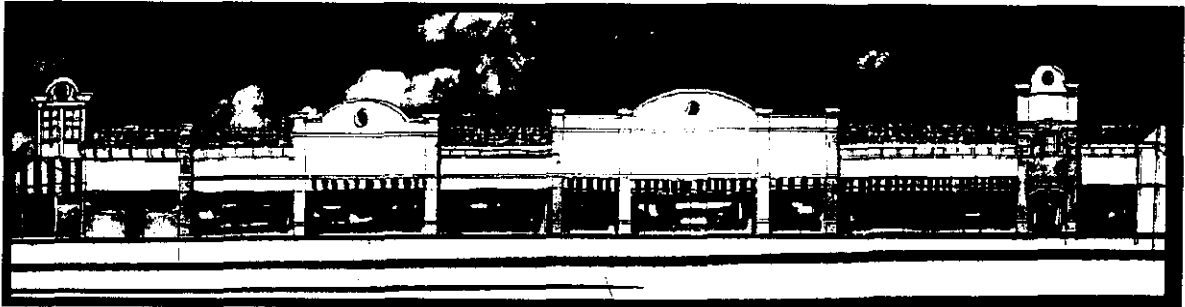
Exhibit A

Existing Façade and Proposed Façade Improvements



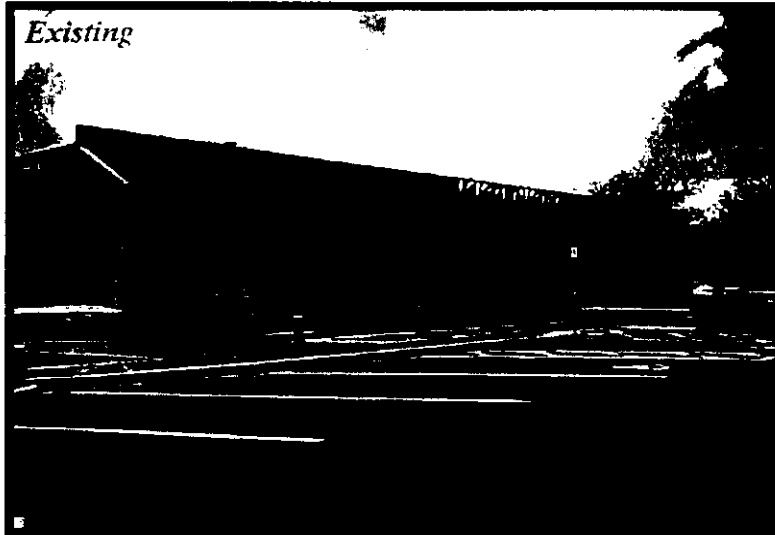
The picture to the left shows the existing façade at the plaza.

The two renderings below show the improved facades.



³ Based on new capital investment of \$6.3 million.

Exhibit B



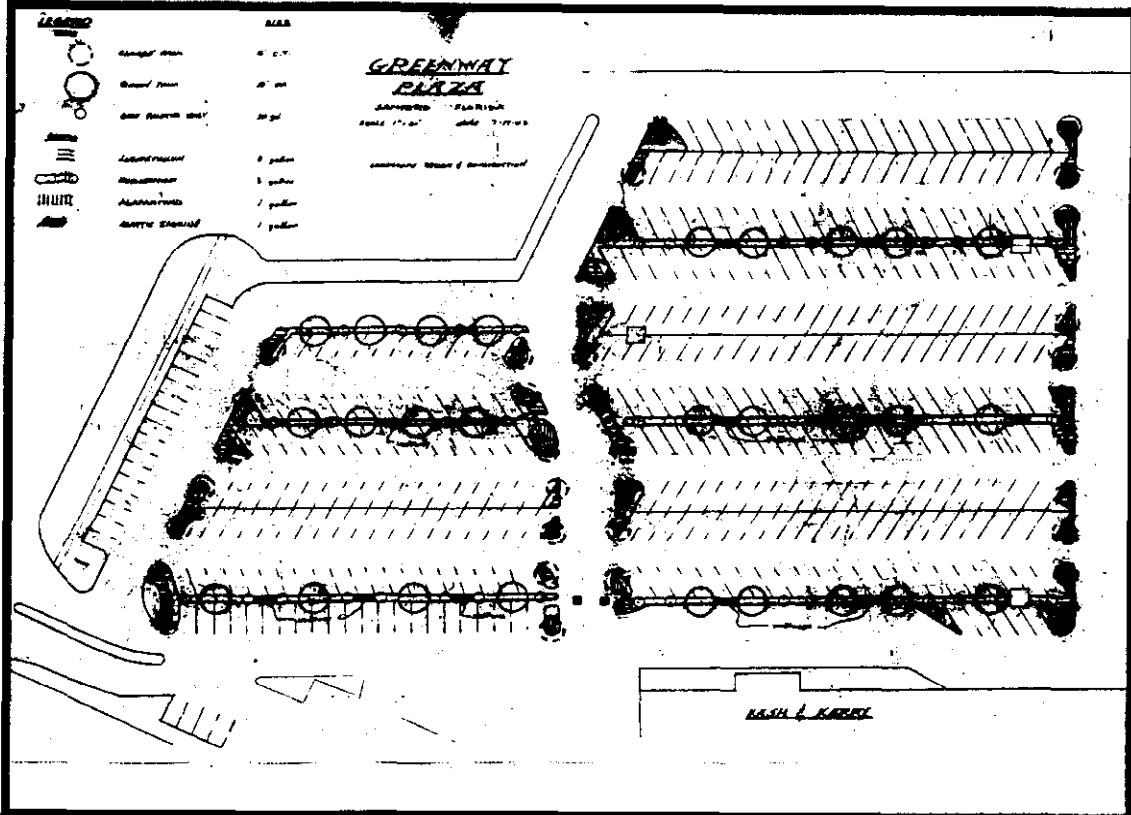
The picture to the left shows the existing façade at the Kash and Karry grocery store.

The rendering below shows the improved façade of the Kash and Karry store.



Exhibit C

Parking Lot Improvements



The above drawing shows the proposed improvements for the parking lot area. These improvements include landscaping, irrigation, monument sign installation, improved lighting and walkway installations.

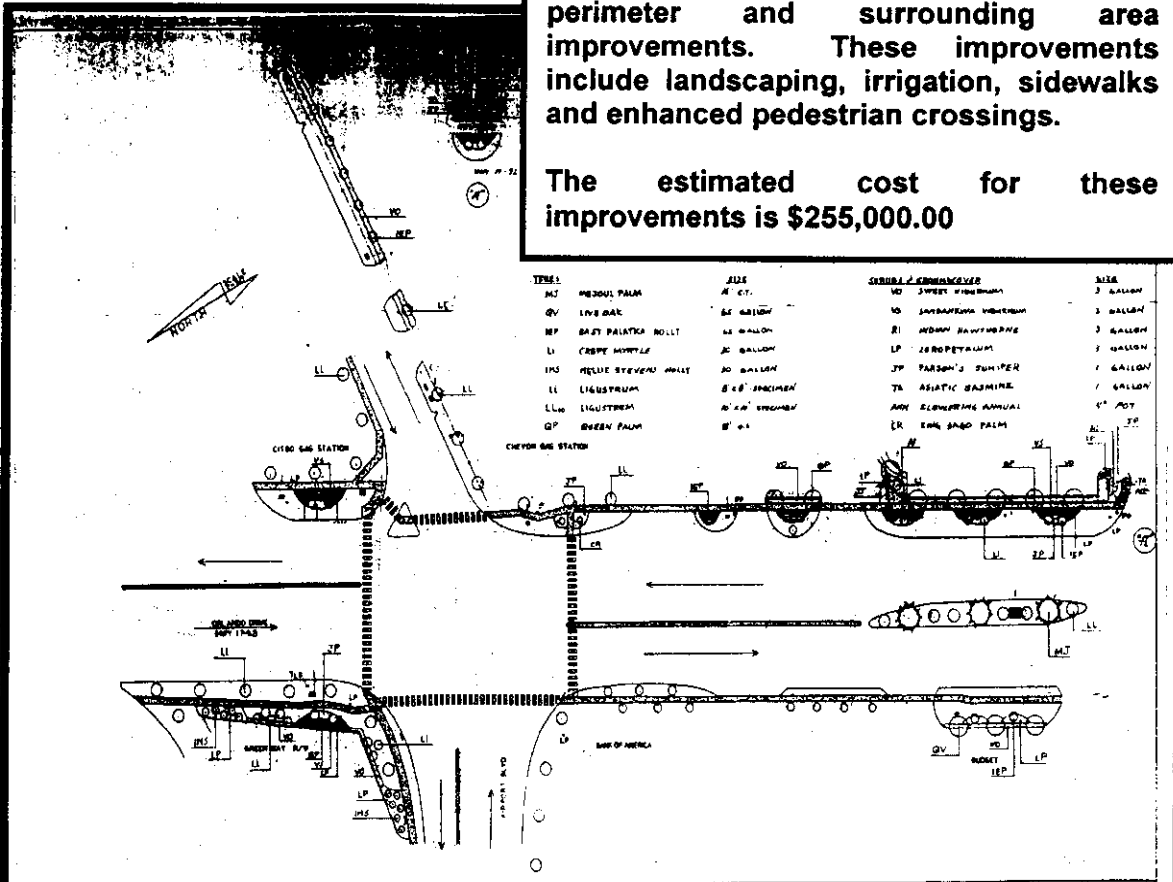
The estimated cost for these improvements is \$396,000.00

Exhibit D

Surrounding Area and Perimeter Improvements

The graphic below shows the proposed perimeter and surrounding area improvements. These improvements include landscaping, irrigation, sidewalks and enhanced pedestrian crossings.

The estimated cost for these improvements is \$255,000.00

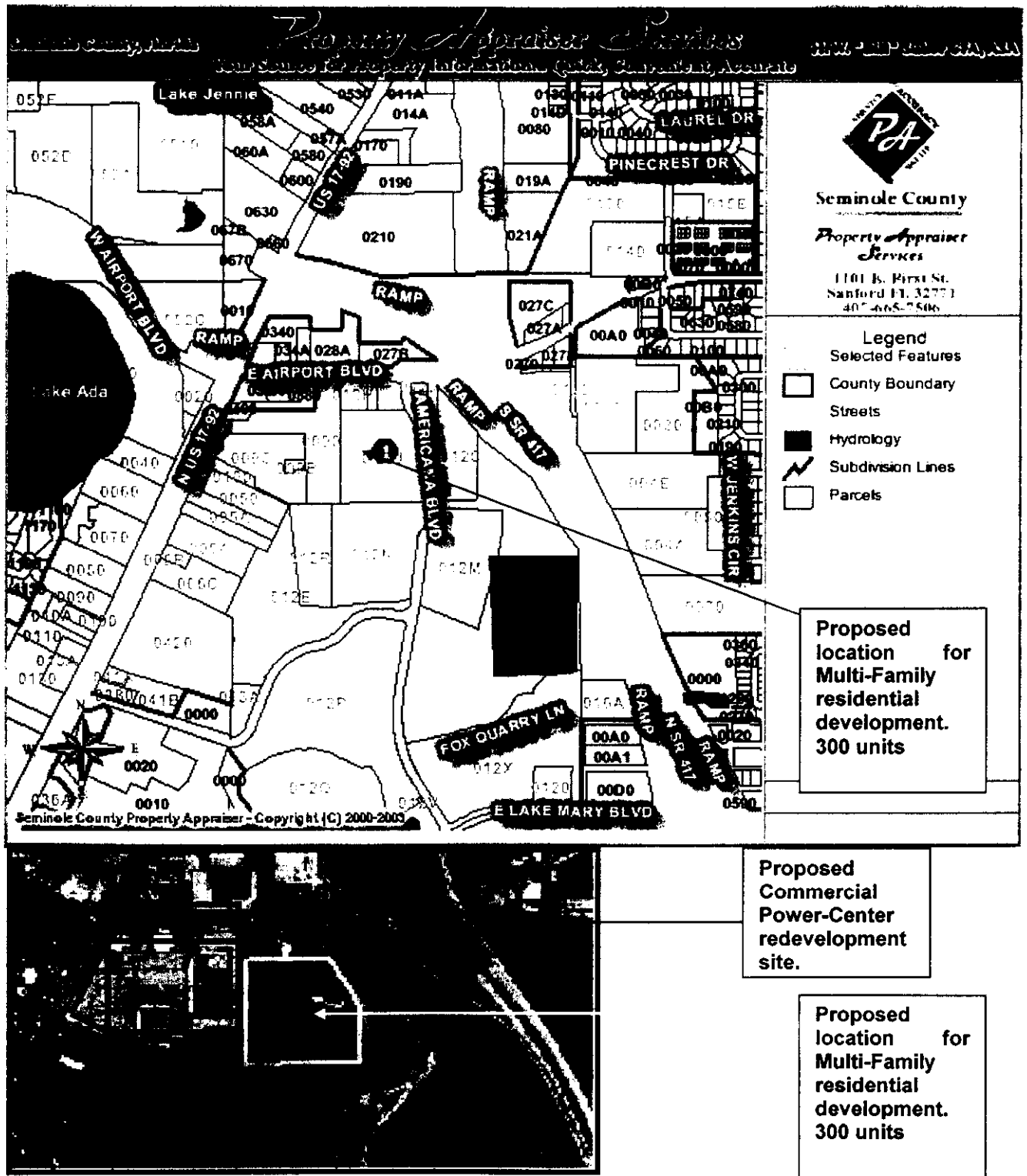


The perimeter improvements shown above integrate or link the surrounding area with the shopping plaza.

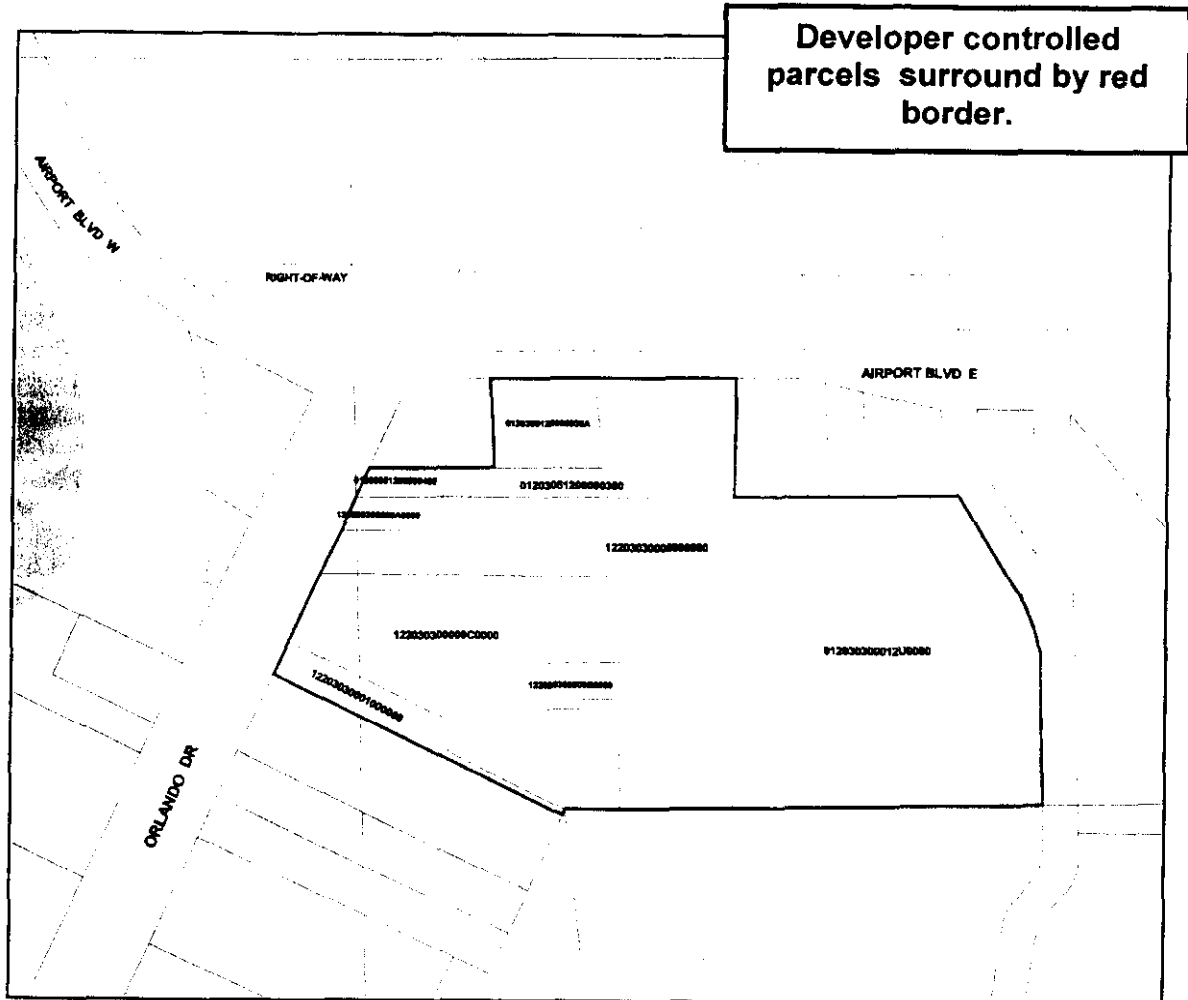
The 'spill-over' improvements visually enhance the surrounding areas. This increases the area of effect of the improvements and enhancements beyond the perimeter of the shopping center.

Exhibit E

Location of adjacent Multi-Family residential development and proposed redevelopment site



Surrounding parcels and property under developer ownership



SUMMARY OF COSTS

GREENWAY PLAZA
SANFORD, FL

SUMMARY OF COSTS

ID	DESCRIPTION	COST
1	PROPERTY PURCHASES	\$6,380,000.00
2	RENOVATIONS	\$1,862,000.00
3	NEW CONSTRUCTION	\$4,523,000.00
4	NEW HOMES	N/A
5	INTERSECTION IMPROVEMENTS	\$288,800.00
	GRAND TOTAL:	\$13,053,800.00

PROPERTY PURCHASES

	DESCRIPTION	COST
1	KMART/KASH N KARRY	\$3,250,000.00
2	SOUTHSPORT TRAILER	\$665,000.00
3	CHICKEN KOOP REST.	\$295,000.00
4	TILE STORE	\$375,000.00
5	GREENWAY TOWNHOUSES	\$1,795,000.00
	GRAND TOTAL:	\$6,380,000.00

NEW RENOVATIONS

	Soft Costs	COSTS
1	Loan Closing Costs	\$20,000.00
2	Architectural/Engineer	\$35,000.00
3	Development Fee	\$70,000.00
4	Impact, Permit & Utility Fees	\$25,000.00
5	Supervision	\$85,000.00
6	Insurance	\$16,000.00
	Sub-total:	\$251,000.00
	Site Costs	
7	Parking Lot Paving	\$61,000.00
8	Architectural Sidewalk	\$25,000.00
9	Monument Sign	\$25,000.00
10	Site Soft Costs	\$15,000.00
11	Landscape/irrigation	\$195,000.00
12	Site Lighting	\$75,000.00
	Sub-total:	\$396,000.00
	Hard Costs	
13	General Condition	\$75,000.00
14	Mobilization	\$50,000.00
15	Fence	\$25,000.00
16	Concrete	\$46,000.00
17	Masonry	\$25,000.00
18	Structural Steel	\$95,000.00
19	Roofing	\$34,000.00
20	Misc. Metals	\$32,000.00
21	Framing & Walls	\$225,000.00
22	Electrical	\$25,000.00
23	Stucco/EFIS	\$205,000.00
24	Ceilings	\$60,000.00
25	Texture & Paint	\$65,000.00
26	Caulking	\$5,000.00
27	Hardware	\$14,000.00
28	Doors	\$20,000.00
29	Glass & glazing	\$45,000.00
30	Awnings	\$39,000.00
31	Signage	\$20,000.00
32	Final Clean	\$10,000.00
33	Contingency	\$100,000.00
	Sub-total:	\$1,215,000.00
	Grand-total:	\$1,862,000.00

NEW CONSTRUCTION

	Soft Costs	COSTS
1	Loan Closing Costs	\$49,100.00
2	Architectural/Engineer	\$86,000.00
3	Development Fee	\$172,000.00
4	Impact, Permit & Utility Fees	\$61,400.00
5	Supervision	\$208,800.00
6	Insurance	\$39,300.00
	Sub-total:	\$616,600.00
	Site Costs	
7	Parking Lot Paving	\$149,900.00
8	Architectural Sidewalk	\$61,400.00
9	Monument Sign	\$61,400.00
10	Site Soft Costs	\$36,900.00
11	Landscape/irrigation	\$479,100.00
12	Site Lighting	\$132,700.00
	Sub-total:	\$921,400.00
	Hard Costs	
13	General Condition	\$184,300.00
14	Mobilization	\$122,800.00
15	Fence	\$61,400.00
16	Concrete	\$113,000.00
17	Masonry	\$61,400.00
18	Structural Steel	\$233,400.00
19	Roofing	\$83,500.00
20	Misc. Metals	\$78,600.00
21	Framing & Walls	\$552,800.00
22	Electrical	\$61,400.00
23	Stucco/EFIS	\$503,700.00
24	Ceilings	\$147,400.00
25	Texture & Paint	\$159,700.00
26	Caulking	\$12,300.00
27	Hardware	\$34,400.00
28	Doors	\$49,100.00
29	Glass & glazing	\$110,600.00
30	Awnings	\$95,800.00
31	Signage	\$49,100.00
32	Final Clean	\$24,600.00
33	Contingency	\$245,700.00
	Sub-total:	\$2,985,000.00
	Grand-total:	\$4,523,000.00

PERIMETER COSTS

	DESCRIPTION	COST
1	Landscape	\$150,000.00
2	Irrigation	\$45,000.00
3	Sidewalk	\$5,000.00
4	Pedestrian Crossing	\$15,000.00
5	Tranist Stop	\$15,000.00
6	Water Taps	\$18,000.00
7	Maintenance	\$40,800.00
	Grand-total:	\$288,800.00