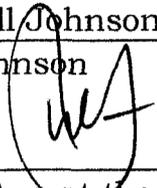


CITY OF LAKE CITY

Report to Council

April 20, 2015

Originator:		
Wendell Johnson		
City Manager Wendell Johnson	Department Director	Date 4/20/15
		
Recommended Action: Accept the terms of IDP's Letter of Intent dated April 20, 2015 as acceptable and direct Staff to proceed with finalizing a Development Agreement.		
<p>Summary Explanation & Background: Beginning in 2010 the City has publicly expressed its interest and desire for involvement in the redevelopment and future of the Hotel Blanche. The Blanche is located within the CRA Commercial Corridor allowing opportunity for the City to participate in a collaborative Redevelopment Plan initiative under certain conditions. On or about September 25, 2014 the City of Lake City (City Manager) and Columbia County Economic Development Department (Executive Director) received a "Letter of Intent" (LOI) from Integrity Development Partners, LLC (IDP) of Valdosta, Georgia for City and County consideration of IDP's proposed redevelopment of the Blanche. The letter was acknowledged "as received" by the City Community Redevelopment Agency on November 3, 2010 and direction was given to the City Manager to proceed with further discussion and negotiations with IDP. The final LOI dated April 20, 2015 has been presented for consideration of Columbia County and the City of Lake City. The LOI highlights for Council information and discussion include:</p> <ul style="list-style-type: none"> - The LOI is presented for "consideration" by Columbia County and the City of Lake City of IDP's Proposal to redevelop the Hotel Blanche at a projected cost of \$17,000,000. Funding sources include conventional financing, federal tax credits (new market/historic), local loan/grant and developer equity. (Sec. 2, Financing) - The LOI calls for good faith and reasonable efforts by the County and/or City to negotiate and enter into a "Development Agreement" by August 30, 2015 with IDP that contains such terms and conditions which are consistent with the LOI. The LOI, if accepted by the County and/or City, will consequently be superseded by terms and conditions of any such "Development Agreement" entered into by County and/or City and IDP. (Sec. 6, General Terms) - If terms and conditions outlined in LOI are found acceptable and the LOI is executed by County and/or City, until such time that a Development Agreement is finalized (est. August 30, 2015) by County and/or City, reimbursable expenses to IDP from County and/or City shall be limited to no more than \$35,000. - A Staff Analysis is provided which outlines project budget, development use categories/square footage, optional assumptions and "maximum" commitment/financial liability scenario for the City. <p>In conclusion, pursuant to F.S. 163.400, a foremost objective of the City in this effort should be to validate that the City's actions are in the public's interest, conforms to the CRA Redevelopment Plan, and takes into consideration long-term benefits to be achieved by the City.</p>		
Alternatives: Not to accept terms of the LOI and take no further action involving the Blanche		
Source of Funds: Multiple Sources including Conventional Bank Loan, Federal Tax Credits, and local funds.		
Financial Impact: Specifically addressed in the "Fishkind and Associates, Inc." Economic and Fiscal Impact Report of the Hotel Blanche Redevelopment Project dated December 12, 2015.		
Exhibits Attached:		
<ol style="list-style-type: none"> 1) Integrity Development Partners, LLC Letter of Intent – April 20, 2015 2) Staff Analysis of the Hotel Blanche Redevelopment Proposal – April 17, 2015 		