

## **ST. PETERSBURG CITY COUNCIL**

### **Report**

Meeting of January 18, 2024

**TO:** The Honorable Deborah Figgs-Sanders, Chair, and Members of City Council

**SUBJECT:**

**(a)** A resolution approving an interfund loan in an amount of \$5,980,000 from the Economic Stability Fund (0008) to the Housing Capital Improvement Fund (3000) to finance a portion of the construction of 24 affordable and workforce housing units within the City limits; approving a supplemental appropriation in the amount of \$5,980,000 from the increase in the unappropriated balance of the Housing Capital Improvement Fund (3000), resulting from this loan, to the Deuces T&H and Comm Development Project (18286); providing for other matters in connection therewith; and providing an effective date. (ECID Project No. 20205-019)

**(b)** A resolution accepting the Guaranteed Maximum Price (“GMP”) Proposal No. 2 for the remainder of the work associated with the 24 affordable and workforce townhome units for the Deuces Rising Townhomes and commercial development project (“Project”) in the amount of \$13,126,098 submitted by Horus Construction Services, Inc. (“Horus”) on October 27, 2023; authorizing the City Attorney’s office to make non-substantive changes to the Third Amendment; authorizing the Mayor or his designee to execute the Third Amendment to the Design-Build Agreement with a GMP between the City of St. Petersburg, Florida, and Horus dated May 26, 2021, to incorporate GMP Proposal No. 2 into the Agreement and modify other necessary provisions; approving a rescission of an unencumbered appropriation in the amount of \$750,000 from the General Fund (0001), Finance Department, Revenues and Transfers Division (320-3201); approving a transfer in the amount of \$750,000 from the unappropriated balance of the General Fund (0001), resulting from the above rescission, to the Housing Capital Improvement Fund (3000); approving a supplemental appropriation in the amount of \$750,000 from the increase in the unappropriated balance of the Housing Capital Improvement Fund (3000), resulting from the above transfer, to the Deuces T/H & Comm Development Project (18286); approving a rescission of an unencumbered appropriation in the amount of \$1,300,000 from the South St. Petersburg Redevelopment District Fund (1104), Economic and Workforce Development Department, Economic and Workforce Development Division (375-2609); approving a transfer in the amount of \$1,300,000 from the unappropriated balance of the South St. Petersburg Redevelopment District Fund (1104), resulting from the above rescission, to the Tax Increment Financing Capital Improvements Fund (3005); approving a supplemental appropriation in the amount of \$1,300,000 from the increase in the unappropriated balance of the Tax Increment Financing Capital Improvements Fund (3005), resulting from the above transfer, to the Deuces T/H & Comm Development Project (18286); and providing an effective date.

**EXPLANATION:** On April 1, 2021, City Council approved a Design Build (“DB”) Agreement with a GMP with Horus for partial preconstruction phase services consisting of concept development and public engagement, schematic design, design development, cost estimation and constructability reviews in an amount not to exceed \$540,964.

On December 9, 2021, City Council approved the First Amendment to the Horus DBAR for the construction of water, sewer and stormwater utility services in the right-of-way of Fairfield Ave. South in the amount of \$2,145,199.

On May 19, 2022, City Council approved the Second Amendment to the Horus DBAE for additional

preconstruction phase and construction management phase services in the amount of \$1,077,329.

This Third Amendment to the Horus DBAR provides for the construction of twenty-four (24) new residential townhomes to be located on Fairfield Ave. South between 22<sup>nd</sup> Street South and 23<sup>rd</sup> Street South as part of the Deuces Rising development. The townhomes consist of twelve three-bedroom units of approximately 1,700 square feet in area and twelve two-bedroom units of approximately 1,500 square feet in area. Each townhome will be sold fee-simple to include two parking spaces and both front and rear yards. Access to the parking spaces will be along a shared HOA parking lot along the rear of the platted lots. Work also includes landscaping on site as well as final improvements to Fairfield Ave. South which consists of concrete curbing, asphalt paving, sidewalks and street landscaping.

The GMP Proposal in the amount of \$13,126,098 is based on the following i) the completed civil, architectural, landscape architectural, structural, mechanical, plumbing and electrical contract drawings and project specifications as prepared by the Horus D/B team; ii) a listing of clarifications and assumptions made by Horus in preparation of the GMP Proposal which further defines the scope of work and iii) the anticipated schedule for the work.

The GMP proposal also includes \$300,000 within the Owner's Contingency for the cost of the remediation of the contaminated soils on the townhome parcels. Contaminated soils will be excavated and removed and clean backfill will be imported and placed on site prior to any construction commencing on the townhomes.

The GMP Proposal includes the following:

Construction Cost	\$ 9,893,146
General Conditions	\$ 779,730
Contractor Contingency	<u>\$ 534,230</u>
Subtotal:	\$11,207,106
CM Fee 6.00%	\$ 672,426
General Liability	\$ 98,931
Professional Liability	<u>\$ 36,000</u>
Subtotal:	\$ 807,357
Builder's Risk	\$ 84,093
Performance Bond	<u>\$ 227,542</u>
Subtotal:	\$ 311,635
Subtotal Guaranteed Maximum Price	\$12,326,098
Owner's Contingency	\$ 800,000
Total Guaranteed Maximum Price	\$13,126,098

The Construction Phase shall commence upon City Council's approval of this Guaranteed Maximum Price Amendment ("GMP Amendment") and the issuance of a Notice to Proceed. During the Construction Phase, the Design Build firm will assume the responsibility as the contractor and will proceed to construct the new Deuces Rising Townhomes.

In addition to the contract amount, there are City costs associated with the project in the amount of \$1,400,000 for construction administration services for staff project management, permitting, utility

services and contingency.

Upon completion of the project the homes will be sold to income qualified, first-time homebuyers at an affordable price based on each buyer's income, household size, and factors such as the amount of the property tax, insurance, and Homeowners Association fees. Twelve of the units are planned to be sold to buyers earning 80% of Area Median Income (AMI) or less, and twelve units are planned to be sold to buyers earning 120% of AMI or less. Resale of the homes will be restricted by affordability conditions and/or an equity sharing plan to ensure retention of affordability or recapture of invested funds.

**RECOMMENDATION:** Administration recommends approval of:

(a) A resolution approving an interfund loan in an amount of \$5,980,000 from the Economic Stability Fund (0008) to the Housing Capital Improvement Fund (3000) to finance a portion of the construction of 24 affordable and workforce housing units within the City limits; approving a supplemental appropriation in the amount of \$5,980,000 from the increase in the unappropriated balance of the Housing Capital Improvement Fund (3000), resulting from this loan, to the Deuces T&H and Comm Development Project (18286); providing for other matters in connection therewith; and providing an effective date. (ECID Project No. 20205-019)

(b) A resolution accepting the Guaranteed Maximum Price ("GMP") Proposal No. 2 for the remainder of the work associated with the 24 affordable and workforce townhome units for the Deuces Rising Townhomes and commercial development project ("Project") in the amount of \$13,126,098 submitted by Horus Construction Services, Inc. ("Horus") on October 27, 2023; authorizing the City Attorney's office to make non-substantive changes to the Third Amendment; authorizing the Mayor or his designee to execute the Third Amendment to the Design-Build Agreement with a GMP between the City of St. Petersburg, Florida, and Horus dated May 26, 2021, to incorporate GMP Proposal No. 2 into the Agreement and modify other necessary provisions; approving a rescission of an unencumbered appropriation in the amount of \$750,000 from the General Fund (0001), Finance Department, Revenues and Transfers Division (320-3201); approving a transfer in the amount of \$750,000 from the unappropriated balance of the General Fund (0001), resulting from the above rescission, to the Housing Capital Improvement Fund (3000); approving a supplemental appropriation in the amount of \$750,000 from the increase in the unappropriated balance of the Housing Capital Improvement Fund (3000), resulting from the above transfer, to the Deuces T/H & Comm Development Project (18286); approving a rescission of an unencumbered appropriation in the amount of \$1,300,000 from the South St. Petersburg Redevelopment District Fund (1104), Economic and Workforce Development Department, Economic and Workforce Development Division (375-2609); approving a transfer in the amount of \$1,300,000 from the unappropriated balance of the South St. Petersburg Redevelopment District Fund (1104), resulting from the above rescission, to the Tax Increment Financing Capital Improvements Fund (3005); approving a supplemental appropriation in the amount of \$1,300,000 from the increase in the unappropriated balance of the Tax Increment Financing Capital Improvements Fund (3005), resulting from the above transfer, to the Deuces T/H & Comm Development Project (18286); and providing an effective date.

**COST/FUNDING/ASSESSMENT INFORMATION:** Total cost for the Engineering Project is estimated to be \$19,062,196. Funding for this project (\$11,114,336) was previously appropriated in the Housing Capital Improvement Fund, Deuces T/H & Comm Development Project (18286) and Affordable/Workforce Housing Project (16670), the Water Resources Capital Projects Fund (4003), SAN Commerce Park FY21 Project (18224), and the South St. Petersburg Redevelopment District Fund (1104). Additional funding will be available after the approval of an interfund loan in an amount of \$5,975,000 from the Economic Stability Fund (0008) to the Housing Capital Improvement Fund (3000) to support the construction of 24 affordable and workforce housing units, a supplemental appropriation in the amount of

\$5,975,000 from the increase in the unappropriated balance of the Housing Capital Improvement Fund (3000) resulting from this loan, to the Deuces T/H & Comm Development Project (18286), a rescission of an unencumbered appropriation in the amount of \$750,000 from the General Fund (0001), Finance Department, Revenues and Transfers Division (320-3201), a transfer in the amount of \$750,000 from the unappropriated balance of the General Fund, resulting from the above rescission, to the Housing Capital Improvement Fund (3000), a supplemental appropriation in the amount of \$750,000 from the increase in the unappropriated balance of the Housing Capital Improvement Fund (3000), resulting from the above transfer, to the Deuces T/H & Comm Development Project (18286), a rescission of an unencumbered appropriation in the amount of \$1,300,000 from the South St. Petersburg Redevelopment District Fund (1104), Economic and Workforce Development Department, Economic and Workforce Development Division (375-2609), a transfer in the amount of \$1,300,000 from the unappropriated balance of the South St. Petersburg Redevelopment District Fund (1104), resulting from the above rescission, to the Tax Increment Financing Capital Improvements Fund (3005), and a supplemental appropriation in the amount of \$1,300,000 from the increase in the unappropriated balance of the Tax Increment Financing Capital Improvements Fund (3005), resulting from the above transfer, to the Deuces T/H & Comm Development Project (18286).

**ATTACHMENTS:**    GMP Proposal  
                             Resolution

RESOLUTION NO. 2024-\_\_\_\_\_

A RESOLUTION APPROVING AN INTERFUND LOAN IN THE AMOUNT OF \$5,980,000 FROM THE ECONOMIC STABILITY FUND (0008) TO THE HOUSING CAPITAL IMPROVEMENT FUND (3000) TO FINANCE A PORTION OF THE CONSTRUCTION OF 24 AFFORDABLE AND WORKFORCE HOUSING UNITS WITHIN THE CITY LIMITS; APPROVING A SUPPLEMENTAL APPROPRIATION IN THE AMOUNT OF \$5,980,000 FROM THE INCREASE IN THE UNAPPROPRIATED BALANCE OF THE HOUSING CAPITAL IMPROVEMENT FUND (3000), RESULTING FROM THIS LOAN, TO THE DEUCES T&H AND COMM DEVELOPMENT PROJECT (18286); PROVIDING FOR OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of St. Petersburg, Florida (“City”) has determined that one of the most cost-effective ways to finance an affordable housing project is by means of an interfund loan from the Economic Stability Fund; and

WHEREAS, the City and Horus Construction Services, Inc. (“Horus”) entered into a design-build agreement on May 6, 2021 (as amended, “Agreement”) for Horus to provide pre-construction and construction phase services for the design and construction of 24 Affordable and Workforce Townhome Units within the City limits (“Project”); and

WHEREAS, the City desires to accept GMP Proposal No. 2 submitted by Horus for the remainder of the construction work for the Project in the amount of \$13,126,098; and

WHEREAS, the City also desires to finance a portion of the Project by means of an interfund loan in the amount of \$5,980,000 from the Economic Stability Fund to the Housing Capital Improvement Fund (this interfund loan is hereinafter referred to as the “Interfund Loan”); and

WHEREAS, the City intends to repay this loan from (i) proceeds received by the City from the sale of the 24 affordable and workforce townhome units or (ii) proceeds received by the City from the sale of other city owned properties; and

WHEREAS, the St. Petersburg City Council desires to formalize and approve the Interfund Loan.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of St. Petersburg, Florida:

SECTION 1. Approval. The Interfund Loan in an amount equal to \$5,980,000 to finance a portion the Project is hereby formalized and approved.

SECTION 2. Supplemental Appropriation. The following supplemental appropriation for FY24 from the increase in the unappropriated balance of the Housing Capital Improvement Fund (3000), resulting from the above loan is hereby approved:

<u>Housing Capital Improvement Fund (3000)</u>	
Deuces T/H & Comm Development Project (18286)	\$5,980,000

SECTION 3. Terms of Interfund Loan. The terms of the Interfund Loan are described below:

- 1) The amount of the Interfund Loan may be increased with City Council approval.
- 2) Any proceeds of the Interfund Loan, which are not expended, shall be invested in the manner and to the extent permitted by the City's written investment policy.
- 3) The interest rate on the Interfund Loan shall be equal to zero percent (0%).
- 4) The maturity date of the Interfund Loan is October 1, 2027.
- 5) Principal payments of the Interfund Loan in the amount of the proceeds received by the City from the sale of each townhome unit will be due within three (3) business days after the date the City receives such proceeds with the final payment in the amount of the outstanding principal amount to be made on the maturity date, unless earlier paid. The Interfund Loan can be

paid prior to maturity, in whole or in part at any time at a price equal to the principal amount thereof to be paid, without penalty, plus accrued interest to the date fixed for early prepayment, if any.

6) Notwithstanding anything herein to the contrary, if a payment date does not fall on a business day, the payment will be due on the immediately preceding business day. The Interfund Loan is unsecured, and does not constitute an indebtedness of the City for any purpose.

SECTION 4. Superseding of Inconsistent Resolutions. This Resolution supersedes all prior actions of City Council of the City inconsistent herewith. All resolutions or parts thereof in conflict herewith are hereby superseded to the extent of such conflict.

SECTION 5. Effective Date. This Resolution shall become effective immediately upon adoption.

LEGAL:

  
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00717180

BUDGET

  
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RESOLUTION NO. 2024-\_\_\_\_\_

A RESOLUTION ACCEPTING GUARANTEED MAXIMUM PRICE (“GMP”) PROPOSAL NO. 2 FOR THE REMAINDER OF THE WORK ASSOCIATED WITH THE 24 AFFORDABLE AND WORKFORCE TOWNHOME UNITS FOR THE DEUCES RISING TOWNHOMES AND COMMERCIAL DEVELOPMENT PROJECT (“PROJECT”) IN THE AMOUNT OF \$13,126,098 SUBMITTED BY HORUS CONSTRUCTION SERVICES, INC. (“HORUS”) ON OCTOBER 27, 2023; AUTHORIZING THE MAYOR OR HIS DESIGNEE TO EXECUTE THE THIRD AMENDMENT TO THE DESIGN-BUILD AGREEMENT WITH A GMP BETWEEN THE CITY OF ST. PETERSBURG, FLORIDA, AND HORUS DATED MAY 26, 2021, TO INCORPORATE GMP PROPOSAL NO. 2 INTO THE AGREEMENT AND MODIFY OTHER NECESSARY PROVISIONS; APPROVING A RESCISSION OF AN UNENCUMBERED APPROPRIATION IN THE AMOUNT OF \$750,000 FROM THE GENERAL FUND (0001), FINANCE DEPARTMENT, REVENUES AND TRANSFERS DIVISION (320-3201); APPROVING A TRANSFER IN THE AMOUNT OF \$750,000 FROM THE UNAPPROPRIATED BALANCE OF THE GENERAL FUND (0001), RESULTING FROM THE ABOVE RESCISSION, TO THE HOUSING CAPITAL IMPROVEMENT FUND (3000); APPROVING A SUPPLEMENTAL APPROPRIATION IN THE AMOUNT OF \$750,000 FROM THE INCREASE IN THE UNAPPROPRIATED BALANCE OF THE HOUSING CAPITAL IMPROVEMENT FUND (3000), RESULTING FROM THE ABOVE TRANSFER, TO THE DEUCES T/H & COMM DEVELOPMENT PROJECT (18286); APPROVING A RESCISSION OF AN UNENCUMBERED APPROPRIATION IN THE AMOUNT OF \$1,300,000 FROM THE SOUTH ST. PETERSBURG REDEVELOPMENT DISTRICT FUND (1104), ECONOMIC AND WORKFORCE DEVELOPMENT DEPARTMENT, ECONOMIC AND WORKFORCE DEVELOPMENT DIVISION (375-2609); APPROVING A TRANSFER IN THE AMOUNT OF \$1,300,000 FROM THE UNAPPROPRIATED BALANCE OF THE SOUTH ST. PETERSBURG REDEVELOPMENT DISTRICT FUND (1104), RESULTING FROM THE ABOVE RESCISSION, TO THE TAX INCREMENT FINANCING CAPITAL IMPROVEMENTS FUND (3005); APPROVING A SUPPLEMENTAL APPROPRIATION IN THE AMOUNT OF \$1,300,000 FROM THE INCREASE IN THE UNAPPROPRIATED BALANCE OF THE TAX INCREMENT FINANCING CAPITAL IMPROVEMENTS FUND (3005), RESULTING FROM THE ABOVE TRANSFER, TO THE DEUCES T/H & COMM DEVELOPMENT PROJECT (18286); AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of St. Petersburg, Florida (“City”) and Horus Construction Services, Inc. (“Horus”) entered into a design-build agreement (“Agreement”) on May 26, 2021 for Horus to provide pre-construction and construction phase services for the Deuces Rising Townhomes and Commercial Development Project (“Project”); and

WHEREAS, pursuant to that Agreement, Horus was authorized to provide initial pre-construction phase services in an amount not to exceed \$540,964, with the additional compensation for the remaining pre-construction phase services and design and other professional services being subject to City Council approval on a future date; and

WHEREAS, on December 9, 2021, City Council approved a first amendment to the Agreement incorporating Guaranteed Maximum Price (“GMP”) Proposal No. 1 for construction of the water, sewer, and stormwater utility services in the Fairfield Ave. South right-of-way in the amount of \$2,145,199; and

WHEREAS, on May 19, 2022, City Council approved a second amendment to the Agreement to add the remaining pre-construction services and design and other professional services for the Project in the amount of \$1,077,329 and increase the total budget for preconstruction services and design and other professional services to \$1,618,293; and

WHEREAS, on October 27, 2023, Horus submitted its GMP proposal in the amount of \$13,126,098 for the remainder of the work associated with the 24 Affordable and Workforce Townhome Units (“GMP Proposal No. 2”); and

WHEREAS, the City desires to accept GMP Proposal No. 2 and incorporate it into the Agreement; and

WHEREAS, the combined total GMP from GMP Proposal No. 1 and GMP Proposal No. 2 is \$15,271,297.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of St. Petersburg, Florida, that Guaranteed Maximum Price (“GMP”) Proposal No. 2 for the remainder of the work associated with 24 Affordable and Workforce Townhome Units for the Deuces Rising Townhomes and Commercial Development Project (“Project”) in the amount of \$13,126,098 submitted by Horus Construction Services, Inc. (“Horus”) on October 27, 2023, is hereby accepted.

BE IT FURTHER RESOLVED that the Mayor or his designee is authorized to execute the third amendment to the design-build agreement with a GMP between the City of St. Petersburg, Florida and Horus dated May 26, 2021, to incorporate GMP Proposal No. 2 into the Agreement and modify other necessary provisions.

BE IT FURTHER RESOLVED that an unencumbered appropriation in the amount of \$750,000 from the General Fund (0001), Finance Department, Revenues and Transfers Division

(320-3201) is hereby rescinded.

BE IT FURTHER RESOLVED that there is hereby approved the following transfer from the unappropriated balance of the General Fund (0001) to the Housing Capital Improvement Fund (3000), resulting from the above rescission, for FY24:

General Fund (0001)

Transfer to: Housing Capital Improvements Fund (3000)

\$750,000

BE IT FURTHER RESOLVED that there is hereby approved from the increase in the unappropriated balance of the Housing Capital Improvement Fund (3000), resulting from the above transfer, the following supplemental appropriation for FY24:

Housing Capital Improvement Fund (3000)

Deuces T/H & Comm Development Project (18286)

\$750,000

BE IT FURTHER RESOLVED that an unencumbered appropriation in the amount of \$1,300,000 from the South St. Petersburg Redevelopment District Fund (1104), Economic and Workforce Development Department, Economic and Workforce Development Division (375-2609) is hereby rescinded.

BE IT FURTHER RESOLVED that there is hereby approved the following transfer from the unappropriated balance of South St. Petersburg Redevelopment District Fund (1104) to the Tax Increment Financing Capital Improvements Fund (3005), resulting from the above rescission, for FY24:

South St. Petersburg Redevelopment District Fund (1104)

Transfer to: Tax Increment Financing Capital Improvements Fund (3005) \$1,300,000

BE IT FURTHER RESOLVED that there is hereby approved from the increase in the unappropriated balance of the Tax Increment Financing Capital Improvements Fund (3005), resulting from the above transfer, the following supplemental appropriation for FY24:

Tax Increment Financing Capital Improvements Fund (3005)

Deuces T/H & Comm Development Project (18286)

\$1,300,000

This Resolution shall become effective immediately upon its adoption.

LEGAL:

DEPARTMENT:

BUDGET:

<sup>00</sup> *Shawn McNamara* \_\_\_\_\_

*Erin L. Rayman* .

*ET Labofake* \_\_\_\_\_