



# **Eastside Community Redevelopment Area**

## **Response to Board of County Commissioners Request for Additional Information**

---

**November 15, 2011**

## **Response to BoCC request for additional information on Eastside Community Redevelopment Agency**

I. Introduction	p. 3
II. Board Motion	p. 3
III. What is Community Redevelopment?	p. 3
IV. Questions/Issues raised by Board	p. 4
i. Impediments to development in East Gainesville	p. 4
ii. How a CRA could alleviate historic impediments to development in East Gainesville	p. 6
iii. Boundary Revisions	p. 9
iv. Restrictions on use of CRA funds	p. 18
v. Revenue and expense estimates	p. 19
V. Staff Recommendation	p. 21
List of Maps	
Map 1 – Plan East Gainesville Master Plan	P. 8
Map 2 – Potential CRA Boundary	p. 12
Map 3 – Future Land Use with Developed and Undeveloped Area	p. 13
Map 4 – Existing Land Use within Potential CRA Boundary	p. 14
Map 5 – Developed and Undeveloped Area within potential CRA	p. 15
Map 5A – Detail on Undeveloped Parcels-West and North Areas	p. 16
Map 5B – Detail on Undeveloped Parcels-East and South Areas	p. 17
Attachment 1 – Conceptual Redevelopment Plan Outline	p. 22
Attachment 2 – Illustration of Projected Revenue for Potential CRA area	p. 24

## I. Introduction

This document provides responses to the Board of County Commission's request for additional information regarding establishing a Community Redevelopment Agency for unincorporated Alachua County to develop a plan for the redevelopment and revitalization of the area generally between University Avenue and Hawthorne Road, east of the Gainesville city limits and west of SE 51<sup>st</sup> Street. Analysis and discussion of each of the issues identified by the Board of Commissioners is provided. A summary of staff recommendations regarding each issue concludes the document.

## II. Board Motion

At the September 27, 2011 regular meeting, the Board of County Commissioners approved the following Motion:

***Commissioner Byerly moved to direct staff to return at a future scheduled Board meeting and address issues raised by the Board no later than the first meeting in November:***

- 1. Prepare a map with a CRA boundary which removes all undeveloped land to the extent possible.*
- 2. Draft language for the Board to consider which would prohibit the use of CRA funds for direct subsidies to individual business owners.*
- 3. Staff should have responses of how a CRA would address factors that have historically hindered development in the area.*
- 4. Provide how much revenue is expected to be generated and the cost to establish an advisory board, trust fund, and staff the CRA.*

## III. What is Community Redevelopment?

Community Redevelopment in Florida can be described as an approach, authorized by the Florida Statutes, to facilitate community revitalization and halt community decline, consisting of three integrated components: the Community Redevelopment Area, the Community Redevelopment Agency, and the Community Redevelopment Plan. Fundamentally, Community Redevelopment is a mechanism to address the community's needs and the public interest in improving the quality of life and promoting economic development opportunities by upgrading the living conditions in the redevelopment area. The CRA designation is a signal to residents, property owners, and investors that the County is committed to the revitalization and redevelopment of the identified area. **Community redevelopment creates a strategic plan for the revitalization of a defined area, and by encouraging and assisting residents and property owners to invest in improving and redeveloping their property, a Community Redevelopment Area addresses the goal of stabilizing and enhancing an area.**

### **Community Redevelopment Area or District**

Under Florida law (Chapter 163, Part III), local governments are able to designate areas as Community Redevelopment Areas when certain conditions exist (a "finding of blight"). Since all the monies used in financing CRA activities are locally generated, CRAs are not overseen by the state, but redevelopment plans must be consistent with local government comprehensive plans. Examples of conditions that can support the creation of a Community Redevelopment Area include, but are not limited to: the presence

of substandard or inadequate structures, a shortage of affordable housing, inadequate infrastructure, insufficient roadways, and inadequate parking. To document that the required conditions exist, the local government must survey the proposed redevelopment area and prepare a Finding of Necessity. If the Finding of Necessity determines that the required conditions exist, the local government may create a Community Redevelopment Area to provide the tools needed to foster and support redevelopment of the targeted area.

### **Community Redevelopment Agency**

The activities and programs offered within a Community Redevelopment Area are administered by the Community Redevelopment Agency. A five to seven member CRA “Board” created by the local government (city or county) directs the agency. The Board can be comprised of local government officials and or other individuals appointed by the local government. Although one local government may establish multiple CRA districts, there generally may be only one CRA Board. Each district must maintain separate trust funds, and expend those funds only in that district.

### **Community Redevelopment Plan**

The Community Redevelopment Agency is responsible for developing and implementing the Community Redevelopment Plan that addresses the unique needs of the targeted area. The plan includes the overall goals for redevelopment in the area, as well as identifying the types of projects planned for the area. Examples of traditional projects include: streetscapes and roadway improvements, building renovations, new building construction, flood control initiatives, water and sewer improvements, parking lots and garages, neighborhood parks, sidewalks and street tree plantings. The plan can also include redevelopment incentives such as grants and loans for such things as façade improvements, fire sprinkler system upgrades, signs, and structural improvements. The redevelopment plan is a living document that can be updated to meet the changing needs within the Community Redevelopment Area; however, the boundaries of the area cannot be changed without making a new finding of necessity.

## IV. Questions/Issues raised by Board of County Commissioners

### i. Impediments to Development in East Gainesville

The need for redevelopment of the eastern portions of the City of Gainesville and unincorporated Alachua County has been cited for a number of years. Plan East Gainesville was developed by the Metropolitan Transportation Planning Organization (MTPO), and was the result of a year-long collaboration between Alachua County, the City of Gainesville, Gainesville Regional Utilities, the Florida Department of Transportation, and the community and provided an in-depth study and analysis of the topics of Land Use, Land Conservation, Transportation, and Infrastructure as they relate to addressing community needs. The adopted Plan East Gainesville Master Plan is shown in **Map 1**. The 2003 Plan East Gainesville Report outlined the Issues and Opportunities regarding the successful revitalization of East Gainesville.

The 2003 Plan East Gainesville Report included a Community Profile, which described the area this way: *“Once a productive agricultural and residential area, East Gainesville has experienced declining population and limited economic investment since the 1960s, when I-75 was developed to the west of Gainesville. Today the community battles perceptions of high crime levels, poor*

*schools, considerable poverty and unsightly litter. Unlike West Gainesville, which has experienced substantial economic growth, East Gainesville has retained much of its natural character and low-density development pattern (p.3).” “The majority of housing stock in East Gainesville is more than 30 years old, with a median year built of 1966. Density of development may reach a maximum of only eight dwelling units per buildable acre. More than 25 percent of the land area in East Gainesville is designated for this low density, single family use. Abandoned, dilapidated or boarded-up properties make up about 10 percent of the neighborhoods east of Waldo Road. Targeted housing rehabilitation, infill development and code enforcement can help to improve these properties (p.5).” “The Suburban section is lower density than the Urban area, acting as a transition to lower density with more of a highway orientation. It surrounds the Urban section, extending south down SW 13th Street, South Main Street and Williston Road, reaching east to Hawthorne Road near Eastside High School, and extending north to include Lake Forest Elementary, much of East University Avenue, Morningside Nature Center and the Lofton Center. Larger lot sizes, low-density residential neighborhoods, strip commercial centers, unhindered traffic-flow and vacant, developable parcels characterize much of this sector. The area also includes some agricultural land that may be preserved or developed in the future (p.10).”*

The topic of Employment and Economic Development is addressed in Plan East Gainesville in this way: *“Economic development, bringing job opportunities and neighborhood-serving commercial uses, is a very high priority among East Gainesville residents who attended community open houses and workshops during the first phase of the Plan East Gainesville study. Residents emphasize the importance of improving the physical appearance of existing businesses, overcoming perceptions of economic risk and attracting additional residents with diverse incomes. Property owners would like to maximize the value of their commercial properties, building on the proximity to downtown and the highly accessible existing transportation network (p.7).”*

*“The City of Gainesville’s Community Redevelopment Agency (CRA) has established revitalization areas for stimulating economic development and improving physical characteristics. The City of Gainesville’s downtown and Eastside CRA districts include almost all of the Plan East Gainesville study area within the city limits. ... Alachua County has proposed a CRA district between Hawthorne Road and East University Avenue, extending from the city limits to NE 35th Street (p. 6, 7).” (ed. note: the street citation appears to be incorrect, it should be SE 51<sup>st</sup> Street)* The Comprehensive Plan was amended to include Future Land Use Element Objective 8.5 and Policies 8.5.1 and 8.5.2 which incorporate the applicable portions of Plan East Gainesville and address economic opportunity, natural resource protection and establishing a Community Redevelopment Area using the Eastside Activity Center as a foundation.

The Community Profile concludes with a summary of Issues and Options (p. 18-21) describing several key factors that have served to impede development in East Gainesville, including the portion within the unincorporated area of Alachua County adjacent to the City of Gainesville. *“Development patterns and socioeconomic characteristics make a profound statement about the character of a place. These features come into play in both a physical sense and through perception; both of which affect civic pride and the level of private investment. In East Gainesville, the strength of the community lies within its close-knit neighborhoods, churches and public institutions. Its proximity to thriving commercial and employment centers like downtown Gainesville and the University of Florida positions East Gainesville well for future economic investment. However, years of declining private investment have left a legacy of underutilized*

*parcels, vacant or unsightly buildings, and limited commercial uses that presents an image of neglect and crime. (p.18-19.)*” The conditions noted in the Community Profile section of the Plan East Gainesville Report from 2003 have not changed significantly in the intervening decade, and the Finding of Necessity Report for the Alachua County Eastside Community Redevelopment Area bears out the general lack of improvement of community conditions.

ii. How a CRA could alleviate historic impediments to development in East Gainesville

A Community Redevelopment Area provides a **strategic plan** for the revitalization and redevelopment of a community, which addresses the community’s needs, and can also help attract additional funding (leveraging) due to the existence of the strategic plan to address the impediments to development by providing the tools to address the community’s desired goals of improving its physical appearance, overcoming the perception of economic risk and attracting additional residents. Activities and programs in the Redevelopment Plan can focus on particular locations (i.e., streetscapes, façade improvements) or on particular actions (neighborhood cleanups, code enforcement amnesty days) to have a positive impact on the community. Redevelopment plans can also include crime prevention programs, community cleanup and policing programs, land assembly, stormwater management infrastructure projects, parks and recreation acquisition and improvements, and sustainable reuse and urban infill development projects.

The table below shows some of the historic impediments to development identified by the Plan East Gainesville Report and lists CRA strategies that can address those impediments:

Impediment	CRA Strategy
Negative community perception	Commitment to area thru CRA Plan, reinvestment thru TIF, leveraging
Transportation system	Transit, sidewalk, street improvements
Litter	Neighborhood Clean-ups
Vacant Property	Infrastructure improvements, revolving loans
Limited economic investment	
Abandoned/dilapidated property	Façade improvements
Crime	Community policing
Lack of shopping	Infrastructure improvements for retail uses, famers’ markets

The Redevelopment Plan is developed in a fully transparent public process to develop a common vision for sustainable revitalization tailored to the specific needs and goals of the community, and must be consistent with the local government’s comprehensive plan. When properly structured, the Redevelopment Plan provides framework for the residents and property owners of the redevelopment area to retain value within the community by capturing and reinvesting a portion of the additional tax revenue resulting from increasing property values in the redevelopment area. One of the tools that can help to accomplish this reinvestment strategy is typically referred to as Tax Increment Financing (TIF), and is unique to CRAs. Coupled

with a Redevelopment Trust Fund to maintain fiscal accountability, TIF provides a method for investing in the community and to build value over time by reinvesting the proceeds of additional tax revenue and to leverage additional investment. An estimate of the potential additional tax revenue for the proposed Community Redevelopment Area is provided in a following section of this report.

An outline for a Conceptual Redevelopment Plan for the Alachua County Eastside CRA is included at the end of this report as **Attachment 1**. The Conceptual Redevelopment Plan includes examples improvements and their approximate average unit costs, to provide some budget context. The goals of the Conceptual Redevelopment Plan goals are similar to and compatible with the City of Gainesville's Eastside Community Redevelopment Plan and address aspects of the issues identified as impediments to development in Plan East Gainesville, such as economic opportunity, infrastructure and transportation.



Map 1 Plan East Gainesville Master Plan





### iii. Boundary Revisions

At the September 27, 2011 County Commission meeting, the Board requested that staff prepare a map with a CRA boundary which removes all undeveloped area to the extent possible. In response to the Board's request, staff re-examined the existing land uses within the CRA area, and particularly those areas which are undeveloped. The existing land use maps and data for the potential CRA have been refined and updated based on a combination of Property Appraiser parcel data, aerial maps, previous research, and local area knowledge.

**Map 2 shows the revised recommended CRA boundary**, including the areas that were removed from the previous CRA boundary that was reviewed by the County Commission on September 27, 2011. The recommended boundary includes the Eastside Activity Center as its core and extends west from the Activity Center toward the City of Gainesville. The CRA boundary includes a combination of existing residential development, two public schools, a County park, a County fire station, several churches, one apartment complex, a C&D landfill, a borrow pit, a cemetery, and several undeveloped properties. The map also shows the proposed City of Gainesville voluntary annexation which has been identified in the City's Urban Services Report. The recommended CRA boundary will be finalized to include the results of the annexation petition, as necessary.

The boundary of the potential CRA has been modified to remove approximately 152 acres along the eastern edge of the boundary, as shown on Map 2, making the total area within the potential CRA approximately 1,490 acres (or 1,300 acres of parcel area – i.e., area within tax parcels which excludes rights of way). The areas that were removed from the boundary were mostly large residential or undeveloped parcels which are designated as Low Density or Estate Residential on the Future Land Use Map. SE 51<sup>st</sup> Street is the point where the urban/suburban area begins to transition to more of a rural land use pattern to the east, therefore the SE 51<sup>st</sup> Street right of way was used as a logical eastern boundary for the CRA. The revised CRA boundary contains approximately 526 acres of undeveloped area (about 40% of the total CRA parcel area), while approximately 774 acres (about 60% of the total CRA parcel area) are developed (see information on developed and undeveloped areas in Map 5).

The existing land use information provided in the previous materials was based on land use codes which are used for property tax assessment purposes. These land use codes provide a general approximation of existing land uses, but are not necessarily fully representative of uses in a way that is relevant for consideration of whether a property is appropriate for inclusion within an area as part of a Community Redevelopment Plan based on factors such as the future use of the property according to the Comprehensive Plan, characteristics of the property including size and relationship of properties to surrounding and adjacent properties and infrastructure, ownership patterns, and logical boundaries for an overall plan to address the factors that are identified in the Florida Statutes as a basis for a "finding of blight".

In looking closely at "undeveloped" properties as shown on the accompanying maps, some are assessed by the Property Appraiser at a rate for agriculture or silviculture because timber may be occasionally harvested on the property, but given the property's ownership, size, location, and designation according to the Comprehensive Plan, are more appropriately described as *unbuilt properties* being held for development. Examples of this include the 45-acre parcel

owned by Spogain Investments and the 10 acre parcel owned by Ramblewood Properties, both of which are within the Eastside Activity Center and are designated on the Future Land Use Map as Mixed Use, Medium-Density Residential and Mixed Use, respectively (see Map 5A). These properties were shown as having an existing land use of "Agriculture" in the previous materials, but have been more appropriately designated 'Undeveloped' because of their location in the Activity Center and their Future Land Use Map designations.

There were also areas which were previously identified as having an existing land use of 'Miscellaneous', some of which were verified and placed into other categories as appropriate. Examples of this are the three parcels owned by Demetree and Lake Forest Glen Associates (24, 17, and 19 acres) located northwest of the Eastside Activity Center which are in the City's potential annexation area and are designated Medium Density Residential on the Future Land Use Map. These properties have been designated as 'Undeveloped' in the updated information.

The Eastside Activity Center, as designated in the Alachua County Comprehensive Plan, is at the core of the proposed CRA and comprises about 304 acres. It is located north of Hawthorne Road on both sides of SE 43<sup>rd</sup> Street. The Activity Center contains existing land uses such as Eastwood Meadows (residential), Eastgate Apartments, Eastside High School, and a County fire station. It is located between existing low density residential development (generally ¼ acre lots) located to the southeast and across Hawthorne Road, and other existing residential development extending north to both sides of East University Avenue.

The Eastside Activity Center Master Plan, which was updated and adopted in the County's Comprehensive Plan in 2008, provides for a mix of higher density and intensity mixed use development in the areas around Eastside High School. At community meetings on the potential CRA conducted in February and August 2011, residents identified a need for some of the types of uses provided for in the Activity Center Master Plan to serve the shopping and other needs. The Master Plan identifies a general transportation plan including an internal circulation network, and design standards for integrated mixed use development. Centralized water and sewer facilities currently run along SE 43<sup>rd</sup> street, and policies in the Master Plan encourage coordination with GRU to extend water and sewer infrastructure to serve future development within other areas of the Activity Center, including identification of potential funding sources for utility extensions (Policy 2.2.10.i(2)c., FLUE).

Many of the larger undeveloped properties within the potential CRA boundary are within the Eastside Activity Center, as shown on Maps 5a and 5b. There are several undeveloped parcels west of SE 43<sup>rd</sup> Street within the Eastside Activity Center, including those owned by Spogain Investments (45 acres), Champion Self Storage (6 acres), Kazwell (5 acres), and Ramblewood Properties (10 acres). The Eastside Activity Center Master Plan designates these properties as Mixed Use or Mixed Use Residential on the Future Land Use Map. Although these properties are currently undeveloped, most of them are owned by development/business interests, and County staff has received inquiries about their development potential in the last few years. These properties have also been identified as part of the potential voluntary annexation by the City of Gainesville in the City's Urban Services Report.

East of SE 43<sup>rd</sup> Street and within the Eastside Activity Center, there are also several larger undeveloped properties (Map 5B). The undeveloped properties east of SE 43<sup>rd</sup> Street include

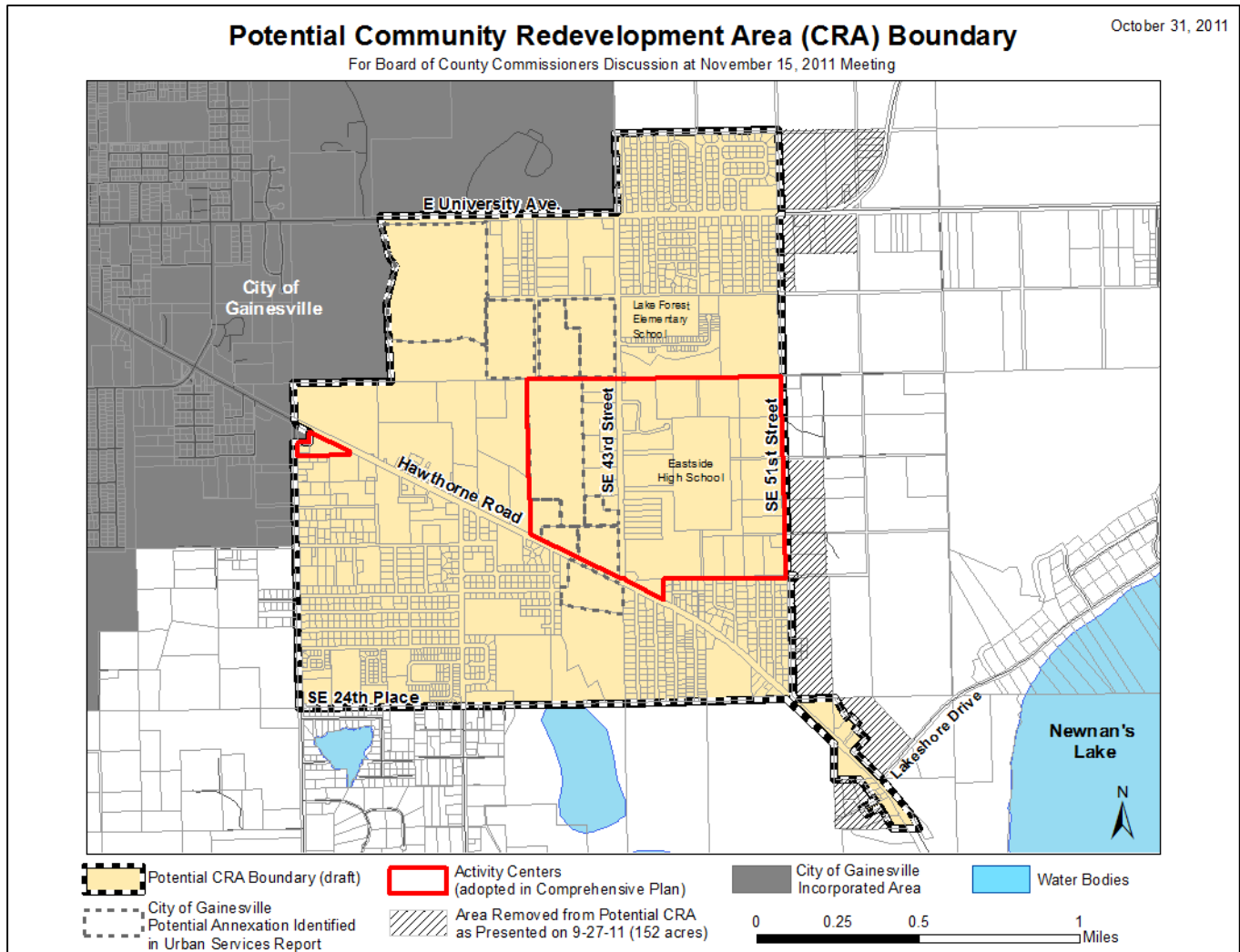
20 acres north of Eastside High School owned by Alford which is an existing residence and farm, and is designated Mixed Use-Low Density Residential on the Future Land Use Map. There are also three 10-acre parcels east and north of Eastside High School (owners Quintana, Quintana, and First Presbyterian Church of Gainesville), which are designated Mixed Use Employment on the Future Land Use Map. To the southwest of Eastside High School there is a 25 acre undeveloped property owned by Gainesville Development Company and Stringfellow Properties, which is designated Mixed Use and Mixed Use Medium and Medium-High Density Residential on the Future Land Use Map.

It is for the reasons identified above that Plan East Gainesville and the County Comprehensive Plan specifically identify the Eastside Activity Center as a foundation for a CRA, and the reason that undeveloped, unbuilt properties within the Activity Center should be included within any area to be considered for a Community Redevelopment Plan in this area. Given these considerations, staff recommends that the boundary of the CRA include all of the Eastside Activity Center.

In addition to the undeveloped areas within the Activity Center, there are also a few larger undeveloped parcels included within the potential CRA boundary which are located outside the Eastside Activity Center. These include, for example, the 30-acre property owned by Gainesville Development Company, which has been included in the CRA boundary because it is located adjacent to the City of Gainesville incorporated area and is designated Commercial on the County's Future Land Use Map. Immediately south of that property across Hawthorne Road are four undeveloped parcels totaling 8.03 acres owned by Heritage Bank of North Florida, which have been included in the CRA boundary because they are located partially within the Eastgate Activity Center and are designated Commercial and Medium Density Residential on the Future Land Use Map. The three large undeveloped parcels immediately south of the Eastside Activity Center across Hawthorne Road (Ramblewood, 13 acres; Krugman-Kadi, 29 acres; and Rewis, 12 acres) have each been included within the CRA boundary because they are designated Low Density Residential on the Future Land Use Map and are located between existing residential subdivisions as well as Chestnut County Park. Just to the east of that area is another large undeveloped property (Marcus, 14 acres) which has been included within the CRA boundary because it is located between two existing residential subdivisions and is designated Medium Density Residential on the Future Land Use Map.

While these properties outside of the Eastside Activity Center are currently undeveloped, their locations adjacent to existing development and their Future Land Use designations identified in the County Comprehensive Plan make them appropriate for inclusion in any area to be considered for a Community Redevelopment Plan for this area. It may be impractical to exclude selected undeveloped properties from the overall CRA because they provide continuity within the larger east Urban Cluster area. Also, there are some potential CRA projects such as utility line extensions, lift stations, and transportation system improvements, for example, which may benefit the larger east urban area, including parcels which are presently undeveloped.

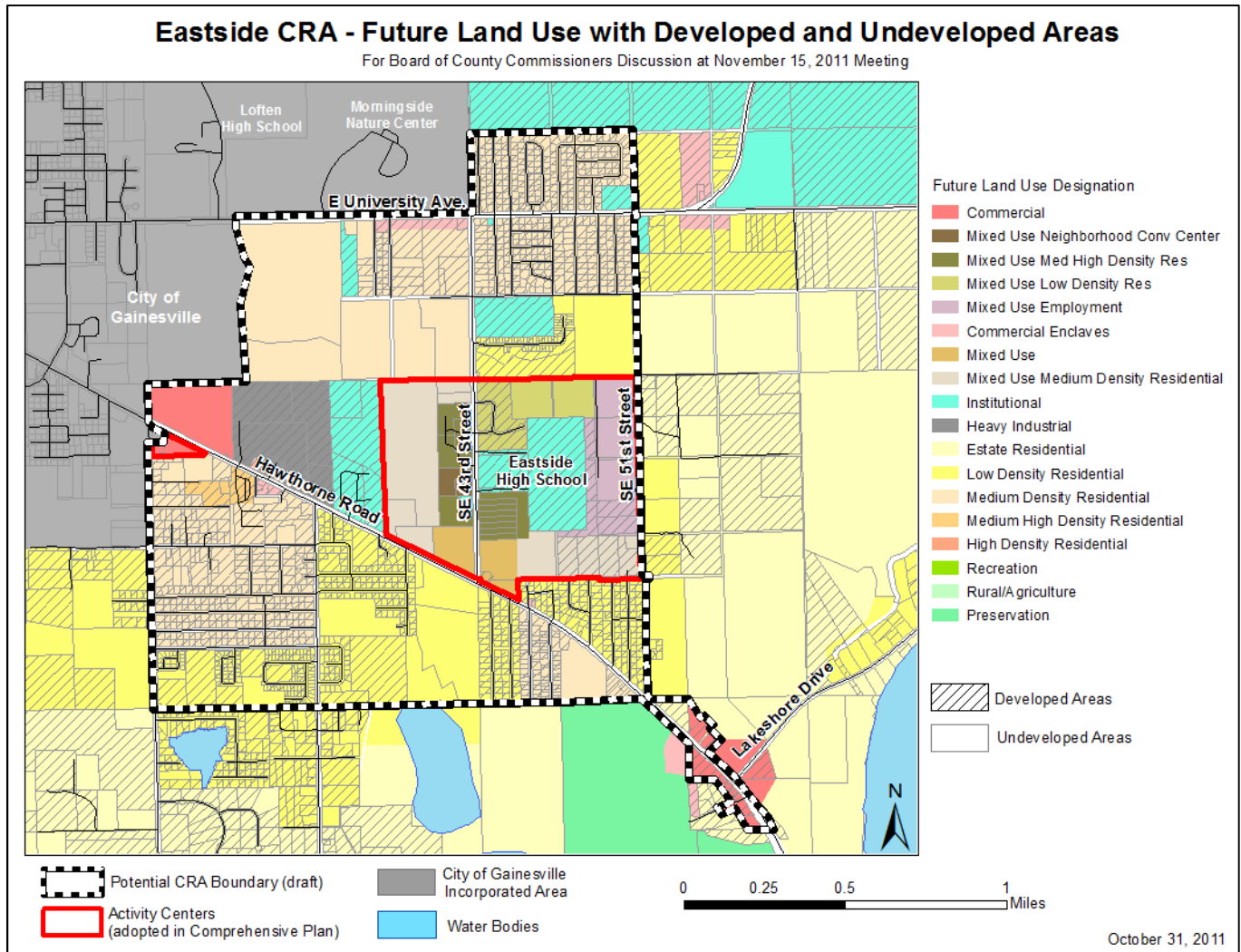
## Map 2 Potential CRA Boundary Map



### Land Area Summary for Potential CRA

CRA Total Area (total area inside CRA boundary)	1,490 Acres
CRA Parcel Area (area within tax parcels - excludes rights of way)	1,300 Acres
Area of Eastside Activity Center as Designated in Comprehensive Plan	304 Acres
Area Removed from Potential CRA as Presented at 9-27-11 BoCC Meeting	152 acres
City of Gainesville Annexation Area within potential County CRA Boundary	216 acres
Developed Area in CRA	774 Acres (60% of Parcel Area)
Undeveloped Area in CRA (includes Agricultural land uses)	526 Acres (40% of Parcel Area)

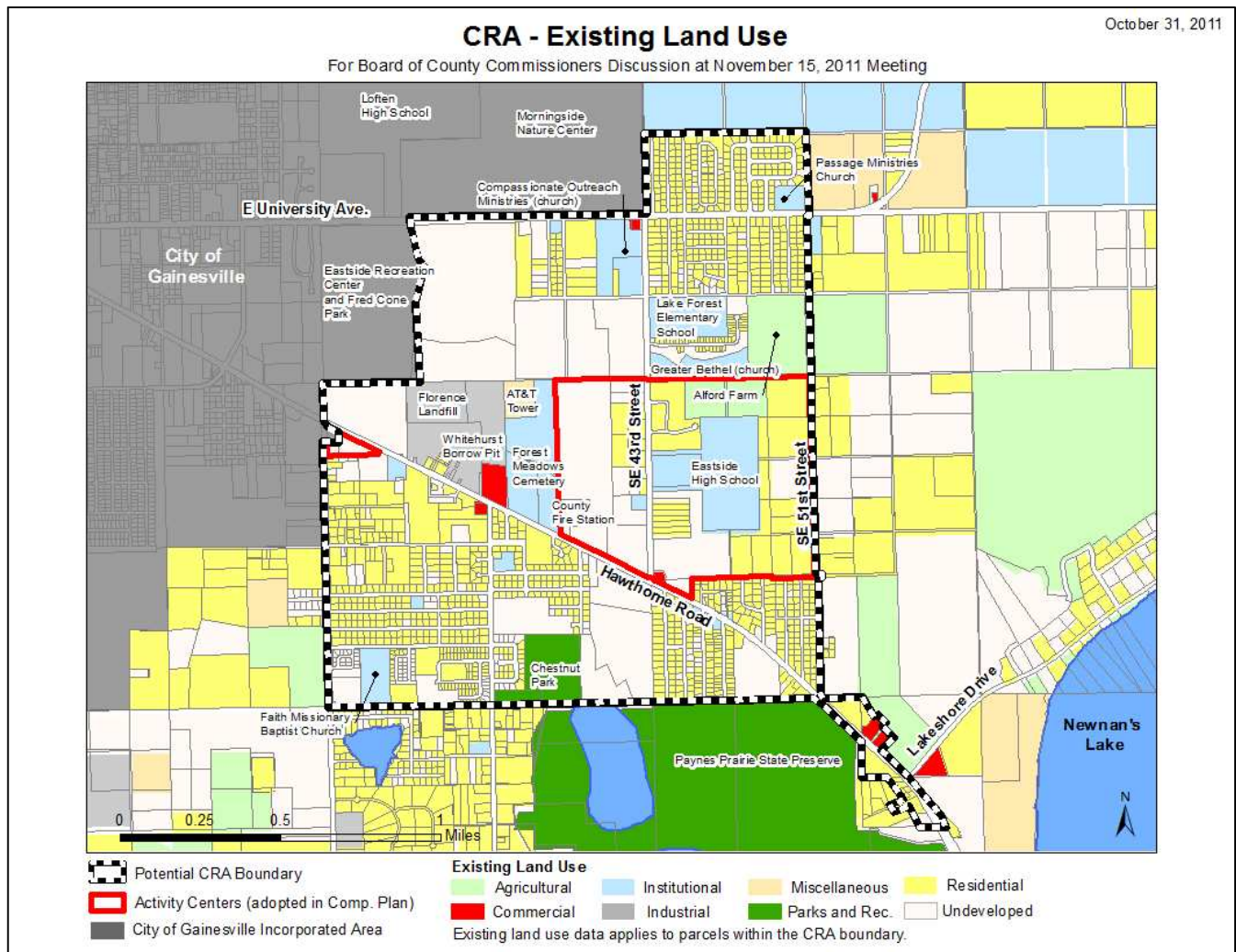
### Map 3 - Future Land Use with Developed and Undeveloped Areas



Future Land Use Category	Acres	Percent of CRA
Commercial	53	4%
Commercial Enclaves	10	< 1%
Heavy Industrial	61	4%
Institutional	129	9%
Estate Residential	4	<1%
Low Density Residential	339	25%
Medium Density Residential	529	38%
Mixed Use	22	2%
Mixed Use, Employment	50	4%
Mixed Use, Neighborhood Convenience	6	< 1%
Mixed Use Residential, Low Density	38	3%
Mixed Use Residential, Medium Density	93	7%
Mixed Use Residential, Med-High Density	33	2%
Residential, Med-High Density	10	< 1%



## Map 4 Existing Land Use within CRA



### Existing Land Use Data for Potential CRA Area

Existing Land Use Category	Acres	Percent of Total CRA Area
Agriculture	48	4%
Commercial	10	1%
Industrial	54	4%
Institutional	165	13%
Miscellaneous	8	<1%
Parks and Recreation	26	2%
Residential	463	36%
Undeveloped	526	40%
<b>Total</b>	<b>1300</b>	<b>100%</b>

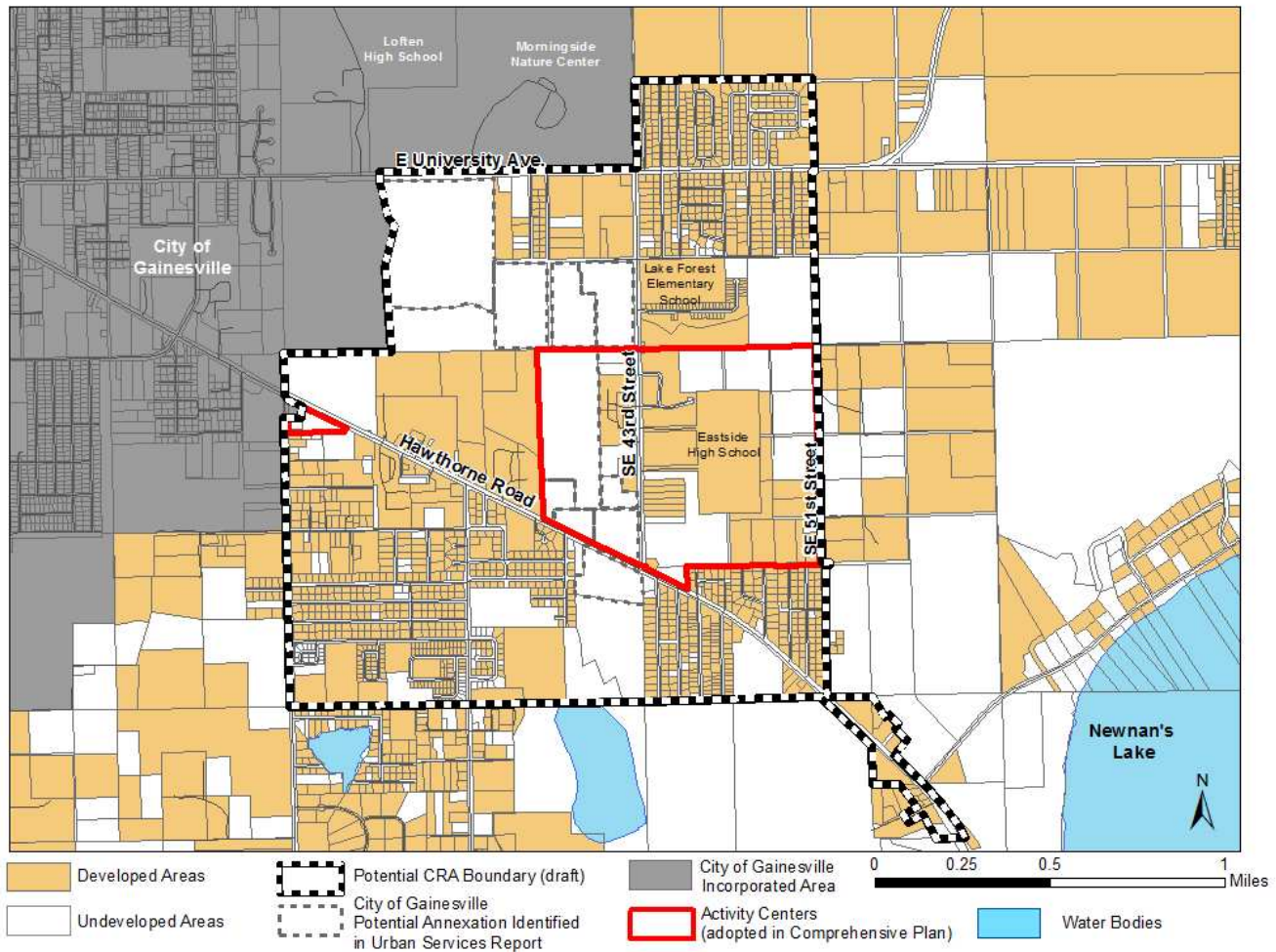


## Map 5 Developed and Undeveloped Area within CRA

### CRA Developed and Undeveloped Area

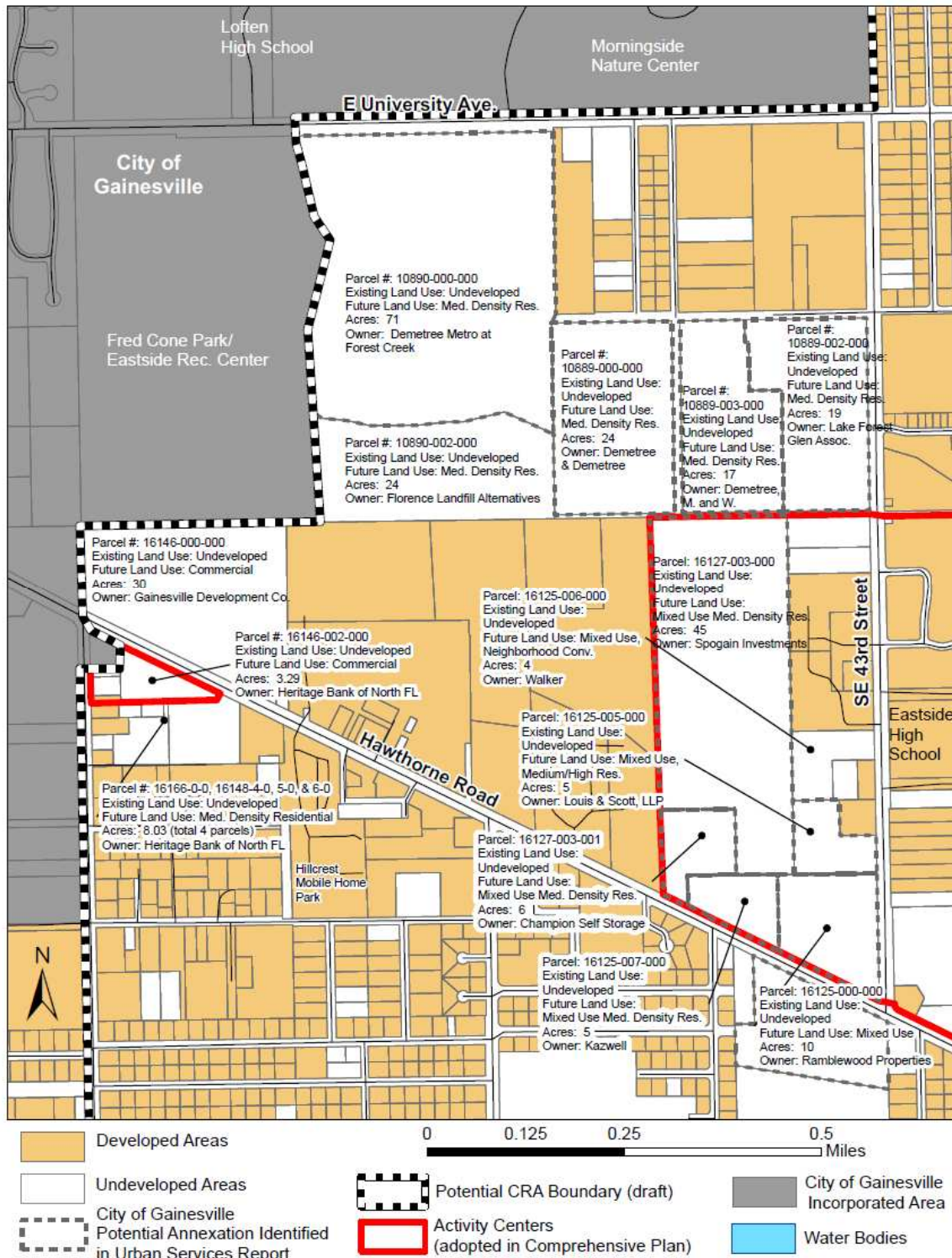
October 31, 2011

For Board of County Commissioners Discussion at November 15, 2011 Meeting



## CRA Area- Detail on Undeveloped Parcels

For Board of County Commissioners Discussion at November 15, 2011 Meeting

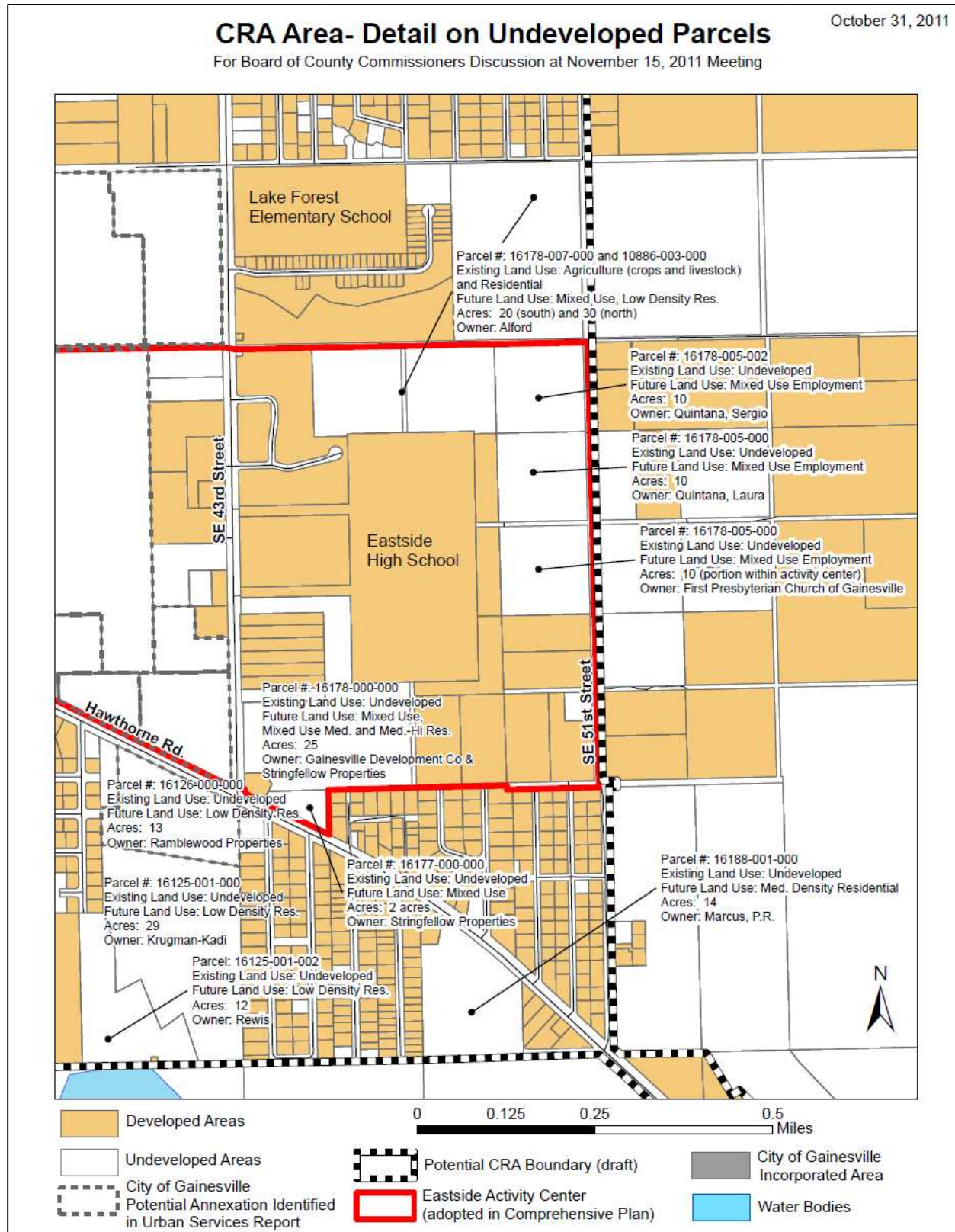




October 31, 2011

**CRA Area- Detail on Undeveloped Parcels**

For Board of County Commissioners Discussion at November 15, 2011 Meeting



#### iv. Restrictions on the use of CRA funds

In the motion to request additional information, the Board requested staff to provide draft language for the Board to consider which would prohibit the use of CRA funds for direct subsidies to individual business owners.

One set of tools that make CRA districts attractive is the ability to offer financial incentives to incentivize or attract development and redevelopment. Examples of these financial incentives include: Tax credits, tax abatements and tax increment rebates; Loans, interest or rent subsidies; Local, State, Federal Grants or Loans; Micro loans to small businesses; Public assembly of land/land donation/reduced land cost; Shared cost of upgraded/new utilities; Environmental remediation costs; Relocation costs/training costs; Per Job Bounty; Cash Payments for Developer's Costs; Reduction of impact fees; Commercial interior space build-out; Signage upgrades; Façade improvement grants and loans; and Affordable housing loans and grants to developers. These types of financial incentives can be inducements to businesses to locate or expand within the redevelopment area, by effectively subsidizing or otherwise reducing the initial capital costs for a qualifying business to start or expand within a CRA. Some of the financial incentive programs such as revolving loans, façade improvement grants, and cost-sharing for utility and/or infrastructure improvement can be structured to include repayment of CRA funds over time or be performance-based activities. Other financial incentives such as tax credits, tax abatements and tax increment rebates are designed as inducements to stimulate redevelopment in the immediate term, with a rebate of the subsequent increased tax increment over time and function as a direct subsidy.

Staff has reviewed the Florida Statutes governing Community Redevelopment, and in particular the following sections as they relate to limiting or restricting the use of CRA funds:

- Sec. 163.358, F.S. - Exercise of powers in carrying out community redevelopment and related activities
- Sec. 163.360, F.S. – Community redevelopment plans
- Sec. 163.362, F.S. – Contents of community redevelopment plans
- Sec. 163.370, F.S. – Powers; counties and municipalities; community redevelopment agencies

The above sections of the Florida Statutes provide for the ability of local governments to engage in community redevelopment, and assign certain limitations and requirements on local governing bodies that choose to do so. Community Redevelopment Agencies are delegated their power to engage in redevelopment by the local governing body, and only have the specific authority that is delegated. Because community redevelopment is based on a Redevelopment Plan reflecting local goals and desired outcomes, the Statutes do not address specific programs, which will vary with each local government. Therefore, in the delegating instrument (Ordinance), the Board may choose to specifically retain the authority to provide direct subsidies

to businesses, and the Community Redevelopment Agency will not have that authority. Should the Board choose to proceed in this manner, staff has drafted the following language for inclusion on the Ordinance delegating powers to the Community Redevelopment Agency:

Title 8, Community Development,  
Chapter 81, Alachua County Community Redevelopment Agency  
Sec. 81.6. Delegation of Powers.

...

(2) Following approval of the Redevelopment Plan by the Alachua County Board of County Commissioners, the powers delegated to the agency include, but are not limited to:

(a) All powers as provided in Part III, Chapter 163, *Florida Statutes*, except what is retained by the Board of County Commissioners by *Florida Statutes* and Section 81.7 of the Code, which may be necessary to undertake and carry out community redevelopment and related activities within the community redevelopment area except the power to provide tax credits, tax abatements and tax rebates as direct subsidies to businesses.

An alternative to restricting the powers delegated to the Community Redevelopment Agency is to exclude undesired strategies from the Redevelopment Plan. Use of Redevelopment Trust Fund money for any projects, programs, donations, or grants that are not within the CRA area and are not clearly part of the redevelopment plan is prohibited. Therefore, if the Redevelopment Plan does not include strategies that allow the use of CRA funds for direct subsidies to individual business owners, they are prohibited. The Redevelopment Plan is recommended by the CRA Board to the Board of County Commissioners, which approved the Redevelopment Plan. Therefore, the Board of County Commissioners retains at all times the ability to exclude certain strategies or projects.

#### v. Revenue and expense estimates

In response to the County Commission's request to provide information on how much revenue is expected to be generated by the potential CRA tax increment funding, staff has prepared estimates of the increment in tax revenue for the CRA area for a 20-year period. The revenue estimates include all taxing authorities eligible for inclusion within the County CRA redevelopment trust fund according to Florida Statutes. Should the County Commission decide after adopting a CRA redevelopment plan to establish such a fund and associated tax increment, Florida Statutes provides that the tax increment amount can be set anywhere between 95 percent and 50 percent of the total available tax increment. For the calculations provided in this report, 95 percent of the tax increment amount has been used to estimate potential revenue streams for the Community Redevelopment Trust Fund.

Based on these parameters, the total amount of Eligible Tax Increment Funding over the 20-Year Period is estimated to be **\$6,111,084**. It should be noted that this estimate is based on a 1% annual growth in taxable property value for the CRA area, plus an estimated amount of growth in taxable property value associated with new development which is expected to occur in the

Eastside Activity Center over the 20-year CRA period. If the amount of new development in the CRA area, and its associated growth in taxable property value, is less than projected, then the total amount of eligible tax increment funding could be less than the estimate indicates. Conversely, if the amount of new development and its associated growth in taxable property value is more than projected, then the total amount of eligible tax increment funding could be more than is estimated here.

The calculation of the amount of potential County CRA tax increment revenues includes any County taxing units which are eligible for inclusion per Florida Statutes. The eligible County taxing units include the County General Fund, Unincorporated MSTU, Law Enforcement MSTU, and Fire Services MSTU. Other countywide taxing units, including the Library District, Water Management Districts, and School Board, *were not* included in the calculation of tax increment revenues because they are not eligible for inclusion as part of the County CRA tax increment funding per Florida Statutes.

The base year taxable value for the CRA sample area was determined based on Property Appraiser tax roll data for 2011. A 1% annual increase in taxable value for the CRA area was projected through 2030 as an estimate of background growth for the CRA area. In addition, an estimate of the projected taxable value increase associated with expected new development within the Eastside Activity Center was included in the calculation of annual growth in taxable property value.

There is more detailed information on the CRA revenue estimates in Attachment 2 of this report, including year-by-year CRA revenue projections and a more detailed explanation of the methodology.

The cost of establishing and maintaining a Redevelopment Trust Fund is nominal, however, if the Board of County Commissioners does not choose to implement Tax Increment Financing a Redevelopment Trust Fund is not required.

Florida Statutes mandate that a Community Redevelopment Agency must be directed by a CRA "Board" created by the local government and consisting of five to seven members. The Board can be comprised of local governing body officials and/or other individuals appointed by the local governing body. Although one local government may establish multiple CRA districts, there generally may be only one CRA Board. The cost to establish an Advisory Board to the Community Redevelopment Agency is expected to be nominal. Alachua County currently has over 30 existing Advisory Boards in place, which consist of volunteer members and meet periodically and report at least annually to the Board of County Commissioners. Advisory Boards are assigned a County Staff liaison and are coordinated through the County Manager's Office. In the initial years of the CRA, staff liaison duties would be expected to be performed by the County staff member(s) that are implementing CRA program activities, whether on a full or part-time basis.

Staffing requirements will vary depending on the amount of time allocated to working with the community to develop and subsequently implement the Redevelopment Plan. Because the CRA is not initially expected to generate a significant tax increment to fund redevelopment, initial CRA program activities could be accomplished on a part-time basis with less than one FTE. The



Board of County Commissioners could choose to allocate General Fund resources to the CRA for implementing Redevelopment Plan projects or activities, and determine whether or not to provide for additional FTEs to carry out the Redevelopment Plan. As an example, the City of Gainesville CRA has 10 FTE staff that work exclusively on CRA activities, while the City of Tallahassee has 3.5 FTEs and an Executive Director that also is the Director of Economic Development for the City.

**V. Staff Recommendation – Board of County Commissioners provide direction to staff regarding:**

- 1. Proceeding with the proposed boundary for the Community Redevelopment Area as depicted in Map 2 or an alternative boundary determined by the Board;**
- 2. Placing restrictions on the use of CRA funds by placing restrictive language in the Ordinance delegating powers to the Community Redevelopment Agency or to address restrictions on the use of CRA funds in the CRA Redevelopment Plan;**
- 3. Proceeding with preparation of a revised Finding of Necessity Report for the Eastside Community Redevelopment Area and related resolutions and ordinances to be provided to the Board for authorization to advertise required public hearings to create the Alachua County Community Redevelopment Agency.**

## **Attachment 1 - Conceptual Redevelopment Plan Outline**

### **Based on Input provided in Community Meetings**

#### **OBJECTIVE 1: ECONOMIC DEVELOPMENT**

##### **Initiatives:**

- Small scale local businesses
- Restaurant featuring local foods
- Farmer's Market (multiple market)
- Cottage industry
- Community kitchens & satellites

##### **Potential Projects:**

- Bike shop, Coffee shop, Eco-tourism along Hawthorne Rail Trail
- Small scale commercial development along SE 4<sup>th</sup> Avenue
- Light Industrial/Manufacturing within Activity Center
- In Eastside Activity Center boundary:
  - Food co-op
  - Restaurant and fast food establishments
  - Pharmacy

#### **OBJECTIVE 2: INFRASTRUCTURE**

##### **Initiatives:**

- Water system improvements
- Access to GRU sanitary sewer in existing neighborhoods
- Improve/Increase GRU Infrastructure (Water/Sewer/Electric)
- Better and more frequent transit loop/ lake loop
- Micro landings for bus stops

##### **Potential Projects:**

- Trash Trap in Creek near Lofton High School
- Transportation Mobility
  - Repair existing sidewalks on Hawthorne Rd.
  - Sidewalks in Chestnut Park
  - Bike Path along Lake Shore Drive
  - Rail trail connection to Morningside Nature Center
  - Sidewalk & bike lane on Kincaid Loop (connects Boulware Springs and Chestnut Park)

- Better roads within Activity Center area
- Transportation infrastructure
  - Speed humps in Hawthorne Rd. and Chestnut Park

#### **OBJECTIVE 3: COMMUNITY IDENTITY**

##### **Initiatives:**

- Develop Historic/Cultural/Natural amenities (lakeside tourism)
- Senior center building

##### **Potential Projects:**

- Neighborhood Identification signage
- Chestnut/Butler Park additions (Activity/Youth Center; Community Gardens)
- Community facilities (Public Library at Cone Park)

#### **OBJECTIVE 4: COMMUNITY DESIGN**

##### **Initiatives:**

- Building façade improvement programs
- Street lighting (Dark Skies)

##### **Potential Projects:**

- Beautification programs for key entry points, corridors and prominent locations
- Repair/maintain street lights on Hawthorne Rd. and Chestnut Park

#### **OBJECTIVE 5: HOUSING**

##### **Initiatives:**

- Affordable housing

##### **Potential Projects:**

- Redevelopment of Hillcrest Mobile Home park

#### **OBJECTIVE 6: SUSTAINABILITY**

##### **Initiatives:**

- Natural areas (both public and private)

##### **Potential Projects:**

- Bat house near Newnan's Lake
- Conservation Corridor behind Chestnut Park/Butler Nature Preserve
- Linear Park along East University Avenue near lake
- More trees and plants on Hawthorne Rd.

**Attachment 1 - Conceptual Redevelopment Plan Outline  
Based on Input provided in Community Meetings**

**Examples of improvements and approximate average unit costs**

NAME OF IMPROVEMENT	DESCRIPTION	COSTS
<b>Infrastructure and Utilities</b>		
Stormwater	Pipes, ponds, and structure	Project
Innovative Stormwater techniques	Master parks, linear basins, rain gardens, modular wetlands, etc.	\$60,000 per acre
Water/Wastewater	Pipes and structures	\$20/linear ft
Utilities	Electric communications, other utilities	\$20/linear ft
Parks	Active and passive parks/recreational facilities	\$140,000/acre
<b>Road and Transportation</b>		
Streetscaping	Upgraded brick sidewalks, underground utilities, decorative lighting fixtures, etc	\$600/linear ft
Bike lanes	4' lane at edge of driving lane	\$5/linear ft
Sidewalks	Concrete sidewalks of various widths	\$30/linear ft
Off-road bike paths and Rail Trails	Basic 6-ft path, cost does not include street furniture	\$10/linear ft
Street trees	Street trees – various species	\$350/tree
Landscaping	Misc. landscaping and plantings as needed	\$600 per 100 sq. ft
Decorative lighting fixtures	Upgrade to high-quality lighting fixtures for both aesthetic and functional purposes	\$5500/fixture
Street furniture	Benches, trash bins, bicycle racks, transit shelters, other street furnishings as needed	Fixture specific; \$200 – \$6000 per fixture; up to \$20,000 per transit shelter
Signage	Introductory, directional, identification, location, and wayfinding and other signage as needed	\$2200 - \$4400 per sign
<b>Land Assembly &amp; Development</b>		
Land Acquisition	Property acquisition for redevelopment purposes	Up to approx. \$750,000 per acre
Real Estate Development	Partnerships with the public and/or private sectors, or the CRA acting as developer	Project specific

*Source: Eastside Community Redevelopment Plan, Gainesville CRA (July, 2010)*

**Attachment 2 - Illustration of Projected Revenue for Potential CRA Area  
(1% Growth Rate Plus Eastside Activity Center New Development)**

<b>Year</b>	<b>Potential CRA Area Taxable Value</b>	<b>Total County Tax Revenue for Potential CRA Area*</b>	<b>CRA Eligible Amount: County General Fund **</b>	<b>CRA Eligible Amount: Unincorporated MSTU**</b>	<b>CRA Eligible Amount: Law Enforcement MSTU**</b>	<b>CRA Eligible Amount: Fire Services MSTU**</b>
2011	\$48,044,820	\$577,407	\$0	\$0	\$0	\$0
2012	\$48,525,268	\$583,182	\$3,923	\$188	\$763	\$611
2013	\$49,010,521	\$589,013	\$7,886	\$378	\$1,533	\$1,229
2014	\$49,500,626	\$594,903	\$11,888	\$570	\$2,311	\$1,852
2015	\$60,320,632	\$724,939	\$100,242	\$4,809	\$19,487	\$15,617
2016	\$60,820,589	\$730,948	\$104,325	\$5,005	\$20,281	\$16,253
2017	\$61,325,545	\$737,017	\$108,448	\$5,203	\$21,082	\$16,895
2018	\$61,835,550	\$743,146	\$112,613	\$5,403	\$21,892	\$17,544
2019	\$62,350,656	\$749,336	\$116,819	\$5,605	\$22,710	\$18,199
2020	\$79,595,912	\$956,592	\$257,641	\$12,361	\$50,086	\$40,138
2021	\$80,121,371	\$962,907	\$261,931	\$12,567	\$50,920	\$40,806
2022	\$80,652,085	\$969,285	\$266,265	\$12,775	\$51,762	\$41,481
2023	\$81,188,106	\$975,727	\$270,642	\$12,985	\$52,613	\$42,163
2024	\$81,729,487	\$982,233	\$275,063	\$13,197	\$53,473	\$42,852
2025	\$95,001,282	\$1,141,735	\$383,438	\$18,397	\$74,541	\$59,735
2026	\$95,553,544	\$1,148,372	\$387,948	\$18,613	\$75,418	\$60,438
2027	\$96,111,330	\$1,155,076	\$392,502	\$18,831	\$76,303	\$61,148
2028	\$96,674,693	\$1,161,846	\$397,103	\$19,052	\$77,197	\$61,864
2029	\$97,243,690	\$1,168,684	\$401,749	\$19,275	\$78,101	\$62,588
2030	\$110,543,377	\$1,328,521	\$510,352	\$24,486	\$99,213	\$79,507
Totals			\$4,370,777	\$209,701	\$849,687	\$680,919
<b>Total Amount of Eligible Tax Increment Funding Over 20-Year Period: \$6,111,084</b>						

\* Total County Tax Revenue is calculated based on the taxable value of property within the potential CRA area multiplied by the total of the millage rates for County General Fund, Unincorporated MSTU, Law Enforcement MSTU, and Fire MSTU. This column illustrates the total amount of County property tax revenue generated from property in the CRA area (not the CRA-eligible tax increment). The CRA-eligible tax increment revenues are shown in the other four columns to the right.

\*\*The CRA eligible tax increment amounts for each of the four eligible County taxing units are based on the maximum allowable allocation of 95% of the share of the millage to the Redevelopment Trust Fund, per Florida Statutes.

**Methodology for CRA Revenue Estimates**

The methodology for estimating the eligible CRA area tax increment revenue is as follows. A base year taxable value for the CRA sample area was determined based on Property Appraiser tax roll data for 2011. The methodology then projects an estimated 1% annual growth in the taxable value for the CRA area through the Year 2030. The 1% annual increase is considered to be the projected background growth for the CRA area. In addition to the 1% background growth, the amount of new development expected to occur in the Eastside Activity Center over the 20 year CRA period was estimated, and the associated taxable property value of this new development was calculated.

**Attachment 2 - Illustration of Projected Revenue for Potential CRA Area  
(1% Growth Rate Plus Eastside Activity Center New Development)**

The amount of new development projected for the Eastside Activity Center through 2030 is based on approximately 25% of the maximum amount of development allowable under the Eastside Activity Center Master Plan adopted in the Comprehensive Plan (for office uses, this figure was about 15% of the maximum to account for surplus of office space in the market). The new development estimates were rounded for ease of calculation. Estimates of the taxable value per unit for various land uses were determined using the values from the SW Transportation District fiscal study as a basis, and reducing those values by 50% to account for generally lower property values on the east side.

The estimates of the amount of new development in the Activity Center were then multiplied by the taxable value per unit for various land uses to arrive at a taxable value for new development in the Activity Center over the 20 year CRA period. The taxable values for new development in the Eastside Activity Center were added to the annual background growth of 1% in taxable value for the CRA area.

The following estimates of new development in the Eastside Activity Center over the 20-Year CRA period, and associated taxable property value per unit, were built into the calculations of the taxable value for the CRA area.

Type of Development	Eastside Activity Center Projected New Development Over 20 Year CRA Period	Unit Measure	Taxable Property Value Per Unit
Single Family Residential DU	150	1 dwelling	\$100,000
Condo/Attached Residential DU	150	1 dwelling	\$100,000
Apartment Residential DU	150	1 dwelling	\$40,000
Total Residential DU	450	--	--
ALF Units	100	1 room	\$40,000
Office (square feet)	75,000	1 square foot	\$100
Retail (square feet)	50,000	1 square foot	\$100

The total projected new development in the Eastside Activity Center, and its associated taxable property value, were phased through the Year 2030 in roughly equal 5-year increments, resulting in spikes in taxable value every 5 years from new development.

Once the sample area taxable values were calculated through 2030, then the CRA eligible amounts were calculated for each of the eligible County taxing units, per Florida Statutes, including the County General Fund, Unincorporated MSTU, Law Enforcement MSTU, and Fire Services MSTU. Other taxing units, including the Library District, Water Management Districts, and School Board are not included in the calculation because they are not eligible for inclusion in the CRA tax increment per Florida Statutes.

The following formula was used to calculate the CRA eligible amounts:

$$((\text{Taxable Value} - \text{Base Year Taxable Value [48,044,820]}) / 1,000) \times \text{Millage} \times 95\%$$

**Attachment 2 - Illustration of Projected Revenue for Potential CRA Area  
(1% Growth Rate Plus Eastside Activity Center New Development)**

The FY 2012 millage rates are held constant for each year for this illustration. These rates are as follows:

Alachua County General Fund Millage: 8.5956

Unincorporated MSTU Millage: 0.4124

Law Enforcement MSTU Millage: 1.6710

Fire Services MSTU Millage: 1.3391

Total Millage for CRA Eligible County Taxing Units (total of four millage rates above): 12.0181