



REPORT ON DEVELOPMENT OF ALACHUA COUNTY EASTSIDE COMMUNITY REDEVELOPMENT AREA

Alachua County Department of Growth Management

5/24/2011

**REPORT ON DEVELOPMENT OF
ALACHUA COUNTY EASTSIDE COMMUNITY REDEVELOPMENT AREA
Alachua County Department of Growth Management**

CONTENTS

I. Introduction

- A. Community Redevelopment Area
- B. Action Steps to Create a CRA
- C. Community Input
- D. Work plan
- E. CRA Components
- F. CRA Goals and Redevelopment Plan

II. Establishing a CRA

- A. Requirements for Finding of Necessity
- B. Resolution
- C. Community Redevelopment Plan
- D. Redevelopment Trust Fund
- E. Staffing and Operations

III. Recommendation

IV. Appendix

- Map #1 – Draft Conceptual CRA Study Area
- Attachment #1 – List of Community Meeting Responses
- Attachment #2 – Example of Tax Increment Revenue Potential
- Map #2 – Depiction of Sample Area

I. Introduction

A. Community Redevelopment Area

The Alachua County Eastside Community Redevelopment Area (CRA) project is the next step in the continuing effort to revitalize the portion of East Gainesville that is within unincorporated Alachua County. In 2003, 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, and the Florida Department of Transportation and the community to create a plan for revitalization of the community and addressed the themes of land use, land conservation, transportation, and infrastructure.

Subsequently, the Comprehensive Plan Future Land Use Element was amended in 2006 to incorporate the applicable goals and objectives of Plan East Gainesville as a guiding vision for the area. The Eastside Activity Center Master Plan was updated in 2009, following a community participation process. The amended Master Plan established mixed-use land use categories and land use policies to implement the revitalization objectives outlined in Plan East Gainesville.

Following adoption of the amended policies for the Eastside Activity Center, the Alachua County Unified Land Development Code was amended to implement the Activity Center policies in the Comprehensive Plan. The Eastside Activity Center Overlay District established zoning categories that implement the residential and commercial mixed-use designations.

The existence of a CRA can serve as a critical tool in attracting redevelopment and leveraging additional revenue sources to the redevelopment area. The Alachua County Eastside CRA is the next stage of the effort to establish a community-based strategic plan to help revitalize the area in the vicinity of the Eastside Activity Center.

B. Action Steps to Create a CRA

CRA's are a mechanism for establishing and implementing a redevelopment plan for a defined area. CRA Boards do not establish policy for the local government - they develop and administer a strategic plan to implement an adopted redevelopment policy. The CRA acts officially as a body distinct and separate from the governing body, although it may be composed of the same individuals. The CRA has certain powers that the local government may not have, such as the ability to utilize tax increment financing, and leverage local public funds with private dollars to stimulate redevelopment. By statute, the term of a CRA is limited to 30 years, with an option to extend to a maximum of 40 years.

In order to formally establish the Eastside CRA in accordance with Chapter 163, F.S., the Board of County Commissioners must take action to adopt certain ordinances in a public hearing. These ordinances address the legal requirements for:

- Finding of Necessity,
- Establishing a CRA,
- Establishing a CRA Board of Directors, and
- Recommended boundary

C. Community Input

Two Community Meetings were held on the evenings of February 3, 2011 at Eastside High School and February 17, 2011 at Compassionate Outreach Ministries to introduce the CRA project, build community relationships and ask the community what they saw as needs and desired outcomes for the area. Approximately 35 – 40 citizens attended the meetings to hear a brief staff presentation, review maps, and participated in an interactive process by asking questions and providing input about the community. A list of the comments from the community is attached to this report (Attachment #1). The comments are categorized and align with many of the typical goals of the redevelopment concept in terms improving the local economy, transportation, and public facilities, providing access to affordable housing and employment opportunities, and protecting natural resources. The community responses were also noted on maps of the area, in order to provide additional community context.

As the CRA project progresses, a variety of methods will be used to gather public input to develop the community's desired outcomes and identify potential CRA projects. Additional information regarding public participation will be provided as it is developed.

Components of public participation include:

- Publicity about the CRA process through press releases, broadcast media, public service announcements, county webpage including posting of information and draft material as it is developed with request for comment, brochures, storyboards, display ads, use of e-mail lists of groups and individuals compiled for planning projects, mail outs to organized groups and neighborhood associations; these elements will be used throughout the process;
- Input from County Advisory Committees concerned with the CRA (such as EDAC, EPAC, ROSCO, etc.);
- Community meetings/workshops in the area;
- Meetings with organizations interested in planning and redevelopment issues.

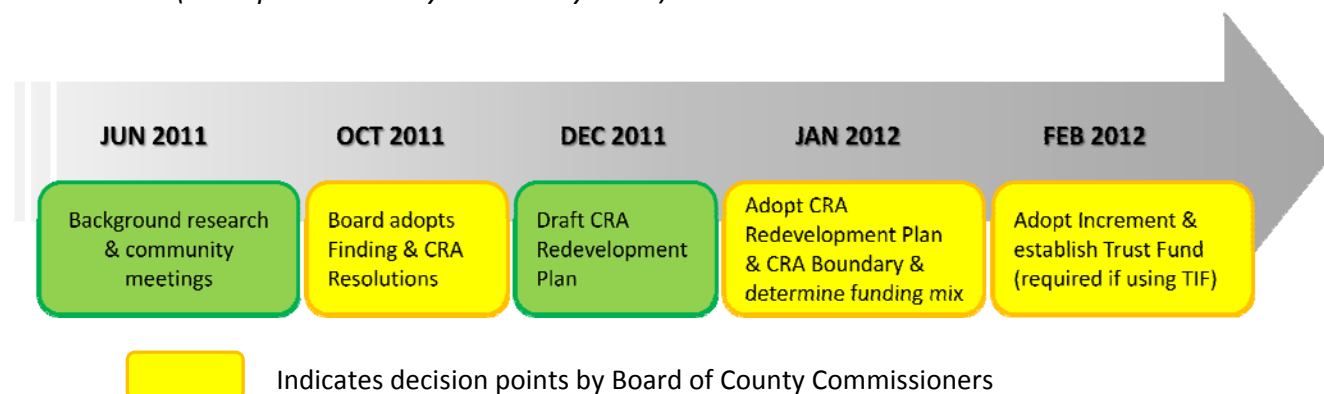
Input will be sought in the form of verbal and written comment.

D. Work plan

As noted in the memo to the Board of County Commissioners dated January 11, 2011, establishing a CRA implements Comprehensive Plan policies and direction from the Board intended to help revitalize the area in the vicinity of the Eastside Activity Center as a component of the Plan East Gainesville vision.

Following direction provided by the Board of County Commissioners, the work plan for the project has six primary milestones.

1. *Initiate data collection, study and document community conditions and prepare draft Finding of Necessity (anticipated June –July 2011)*
2. *Draft Board of County Commissioners resolutions to adopt Finding of Necessity, establish CRA Board, and appoint CRA Commissioners and request authorization to advertise a public hearing (anticipated August – September 2011)*
3. *Board of County Commissioners resolution to adopt Finding of Necessity and Resolutions establishing CRA (anticipated September-October 2011)*
4. *Collaborate with community to prepare Draft Redevelopment Plan (anticipated October 2011 – December 2011)*
5. *LPA hearing to review consistency of Draft Redevelopment plan with adopted Comprehensive Plan (anticipated December 2011-January 2012)*
6. *Board of County Commissioners resolution to adopt CRA Redevelopment Plan (anticipated January 2012 – February 2012)*
7. *Board of County Commissioners resolution to adopt Increment and establish CRA Trust Fund (anticipated January – February 2012)*



E. CRA Components

The following are the essential components of a CRA:

- The **Finding of Necessity** documents the existing community conditions and identifies which indicators of slum or blight exist within the Conceptual Study Area. The Finding of Necessity forms part of the legal basis for establishing the CRA and subsequently appointing a CRA Board and creating a redevelopment Trust fund.
- The **CRA Board** is appointed by the County Commission, and can be comprised of the commission, a mix of commissioners and citizens, or all citizens.
- The **Redevelopment Plan** is the strategic plan for the redevelopment area, and is a detailed plan with specific projects and programs that are intended to address community needs and attract new investment and development, and create jobs.
- The **CRA Boundary** is established in conjunction with the Redevelopment Plan, and defines the limits of the Redevelopment Area where CRA projects may occur. An important factor to keep in mind is that CRA projects must be in the Redevelopment Plan to be eligible for CRA funding, otherwise the CRA may not undertake the project.
- The **Trust Fund** must be established and maintained by the County if Tax Increment Financing is a funding mechanism for the CRA in order to comply with statutory requirements.

F. CRA Goals and Redevelopment Plan

The goals of a CRA typically focus on achieving the long-term guiding vision or principle for the redevelopment area. Components of a community redevelopment plan frequently address goals such as business expansion, job creation and economic development, transportation infrastructure, public facilities and improvements, improving housing conditions and opportunities, and environmental restoration and conservation activities. The Redevelopment Plan for the Alachua County Eastside CRA should provide a strategy to achieve the community's goals and desired outcomes.

The Alachua County Eastside CRA provides a defined, long-term strategic plan for achieving certain redevelopment goals, many of which were first described in Plan East Gainesville. These Plan East Gainesville goals include addressing the community needs identified as housing choices, mixed-use development and employment opportunities, public infrastructure, protection of natural resources, improving the bicycle and pedestrian environment, and increasing access to transit. Additional community input will be sought through the public participation process as the Redevelopment Plan is developed, to ensure the community's desired outcomes are represented.

II. Establishing a CRA

A. Requirements for Finding of Necessity

The Community Redevelopment Act provides that a local government must approve a Finding of Necessity before a Community Redevelopment Agency (CRA) can be established. The Finding of Necessity is to be presented as a report that determines and defines the existence of “slum” or “blight” conditions within the proposed Eastside Community Redevelopment Area. The following excerpted definitions are provided in s. 163.340, Florida Statutes and offer a range of factors or indicators. For an area to be considered a “slum area”, one or more of the factors must be present. For an area to be considered a “blighted area, two or more of the factors must be present.

“Slum area” – An area having physical or economic conditions conducive to disease, infant mortality, juvenile delinquency, poverty, or crime ...

- Inadequate provision for ventilation, light, air, sanitation, or open spaces;
- High density of population, compared to the population density of adjacent areas within the County; or
- The existence of conditions that endanger life or property by fire or other causes.

“Blighted area” – An area in which there are a substantial number of deteriorated, or deteriorating structures, in which conditions, as indicated by government-maintained statistics or other studies, are leading to economic distress or endanger life or property...

- Defective or inadequate street layout, parking facilities, roadways, bridges or public transportation facilities;
- Aggregate assessed values of real property in the area for ad valorem tax purposes have failed to show any appreciable increase over the past five years;
- Faulty lot layout in relation to size, adequacy, accessibility or usefulness;
- Unsanitary or unsafe conditions;
- Deterioration of site or other improvements;
- Inadequate and outdated building density patterns;
- Falling lease rates per square foot of office, commercial, or industrial space compared to the remainder of the County;
- Tax or special assessment delinquency exceeding the fair value of the land;
- Residential and commercial vacancy rates higher in the area than in the remainder of the County;
- Incidence of crime in the area higher than in the remainder of the County;

- Fire and emergency medical service calls to the area proportionately higher than in the remainder of the County;
- A greater number of violations of the Florida Building Code in the area than the number of violations recorded in the remainder of the County;
- Diversity of ownership or defective or unusual conditions of title which prevent the free alienability of land within the deteriorated or hazardous area; or
- Governmentally owned property with adverse environmental conditions caused by a public or private entity.

The major components of the Finding of Necessity are:

- Identification of the study area;
- Inventory of blighted conditions;
- Recommendations for establishing the CRA.

The Study Area provides an initial boundary for documenting the community conditions, and can include a greater area than the final boundary established for the CRA. The Conceptual Study Area Boundary shown on **Map 1** is intended to capture a majority of the residential, commercial and recreational areas in the urban cluster east of the city limits, and includes most of the area served by GRU water and wastewater services. An advantage of having a large conceptual study area is including a large number of properties that could benefit from the CRA redevelopment efforts and that contribute to any growth in the tax base, and the potential for a wider variety of CRA projects. Disadvantages include the fact that a large study area in this location includes large areas with very low density and very limited development potential, which may not contribute to the tax base, and which may affect development on adjoining parcels. A smaller CRA study area could allow for a more focused Redevelopment Plan, with the potential for expansion in the future

B. Resolution

The Finding of Necessity is to be adopted by a resolution of the Board of County Commissioners. The resolution must be supported by data and analysis and is comprised of three parts:

1. Confirm the finding of “blight” as defined by s. 163.340(8), Florida Statutes.
2. Establish a Community Redevelopment Agency with authority to exercise redevelopment powers.
3. Declare the Alachua County Board of County Commissioners as the Community Redevelopment Agency, should the BoCC choose to serve in this capacity. This action is detailed in s. 163.357, Florida Statutes.

Pursuant to s. 163.355, Florida Statutes, the resolution is required to state the following:

- That one or more slum or blighted areas, or one or more areas in which there is a shortage of housing affordable to residents of low or moderate income, including the elderly, exist in the County; and,
- That the rehabilitation, conservation, or redevelopment, or combination thereof, of such area or areas is necessary in the interest of the public health, safety, morals, or welfare of the residents of the County.

C. Community Redevelopment Plan

The Alachua County Board of County Commissioners will be required to approve, by resolution, a community redevelopment plan in accordance with s. 163.360, Florida Statutes. The plan will outline and identify the development and redevelopment needs of the Community Redevelopment Area as well as specific projects to address those needs.

The statutory requirements of the community redevelopment plan are as follows:

- Consistency with the Comprehensive Plan for the County;
- Identification of land acquisition, demolition and removal of structures, redevelopment, improvements and rehabilitation that may be proposed to be carried out in the CRA, zoning and planning changes, land uses, maximum densities and building requirements;
- Provision for the development of affordable housing in the area, or state reasons for not addressing in the plan the development of affordable housing in the CRA.

Major components of the redevelopment plan will include demographic data, documentation of existing conditions, redevelopment plan objectives, policies and implementation strategies, and options for financing redevelopment activities. A variety of options are available for funding redevelopment activities, including an annual allocation from the County General fund, contributions from local businesses or the community, grants, and Tax Increment Financing. If Tax Increment Financing is used, a Redevelopment Trust Fund must be established, as described below.

D. Redevelopment Trust Fund

If Tax Increment Financing (TIF) is a funding mechanism for the CRA, the redevelopment trust fund must be established by ordinance and maintained by the County for the duration of the community redevelopment plan in order to comply with S. 163.387, Florida Statutes. All funds allocated to the trust fund must be used by the Community Redevelopment Agency to finance redevelopment initiatives as documented in the approved community redevelopment plan. When TIF is used to help fund a CRA, the aggregate taxable value of the property within the designated CRA becomes the “frozen” or “fixed” value. The ad valorem tax (for Alachua County) collection on any increase of this base value – the increment – is deposited into the

trust fund. A detailed description of how the TIF tool works and an example of how TIF could be applied to the Alachua County Eastside CRA is provided on page 13 of this report.

E. Staffing and Operations

At this time, the level of staffing required to operate a CRA is unknown, however initial staffing levels are anticipated to be low, and may increase over time as revenues and project activity increase. The following range of staffing options should be considered:

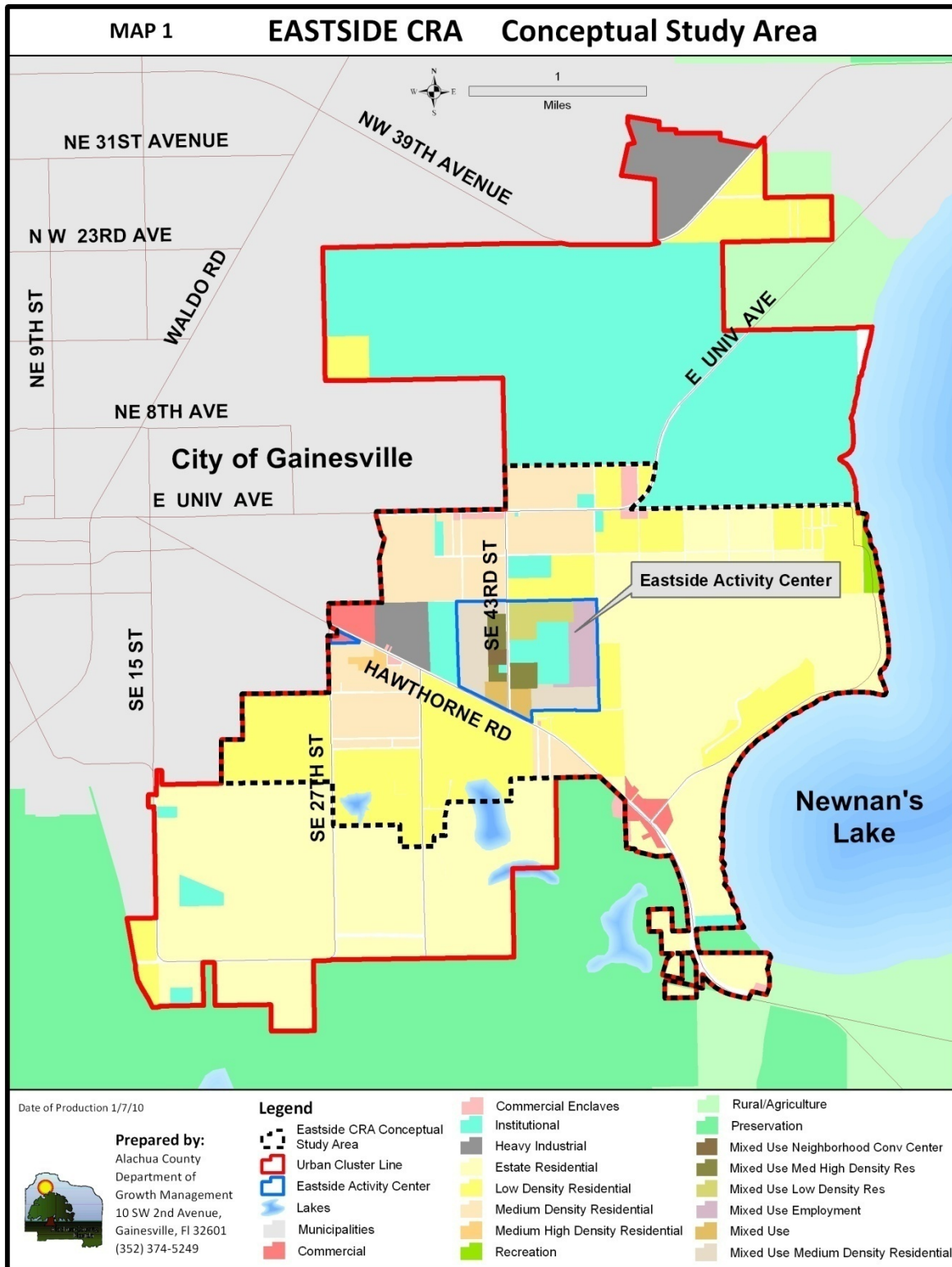
- Full-time professional staff and part-time administrative staff funded by BoCC
- Contractor services negotiated with qualified vendor with professional staff oversight
- Interlocal agreement with City of Gainesville CRA staff to operate County CRA

IV. Recommendation

Authorize staff to proceed with data collection and analysis, field work, and documentation of community conditions necessary to:

- Prepare a Finding of Necessity for the conceptual CRA study area;
- Develop the resolutions pertaining to the establishment of an Alachua County Community Redevelopment Agency; and,
- Bring the Finding of Necessity and Resolutions to the Board of County Commissioners with a request for authorization to advertise the Public Hearing to consider adoption of the resolutions.

Map #1



Attachment #1
Combined list of Community Meeting responses on the
Alachua County Eastside Community Redevelopment Area
February 3rd and 17th, 2011

Commercial & Industrial Development

- Restaurant featuring local foods
- Farmer's Market
- Bike shop, Coffee shop, Eco-tourism along Hawthorne Rail Trail
- Small scale commercial development along SE 4th Avenue
- Small scale local businesses
- Light Industrial/Manufacturing within Activity Center
- In Eastside Activity Center boundary
 - Food cooperative
 - Restaurant and fast food
 - Pharmacy
- Cottage industry
- Community kitchens & Satellites
- Farmers' market (multiple market)

Natural Areas & Features

- Bat house near Newnan's Lake
- Conservation Corridor (behind Chestnut Park/Butler Nature Preserve)
- Trash Trap in Creek near Lofton High School
- Linear Park along East University Avenue near lake
- Dark Skies
- Natural areas(both public and private)
- More trees and plants on Hawthorne Rd.

Community Services

- Public Library at Cone Park
- Senior center building
- Activity center at Chestnut Park
- Youth center at Chestnut Park
- Community gardens at Chestnut Park

- Lakeside tourism

Infrastructure

- Water system improvement
- Access to City sewage in existing neighborhoods
- Improve/Increase GRU Infrastructure (Water/Sewer/Electric)

Transportation Improvement

- Better and more frequent transit loop/lake loop
- Micro landings for bus stops
- Mobility
 - Bike lane along SE 27th St towards Boulware Springs and Chestnut Park
 - 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
 - Better roads within Activity Center area
- Infrastructure
 - Speed humps in Hawthorne Rd. and Chestnut Park
 - Street lights in Hawthorne Rd. and Chestnut Park

Affordable Housing

- Affordable housing

Land Use

- Low density and Agricultural mixed use

Attachment #2

CRA Funding and Tax Increment Financing

Once established, a CRA can be funded through a variety of methods including an annual allocation from the County General fund, contributions from local businesses or the community, and grants. A common funding method is known as Tax Increment Financing (TIF), which can provide leverage to obtain additional funds.

Using the TIF tool, the tax revenue of real property in the CRA is determined on a fixed date. The total real property tax revenue of the base year becomes the “frozen tax base.” The increase in the total tax revenue between the base year and year two is called “the increment.” The total tax increment revenues are deposited into a trust fund administered by the CRA for use in redevelopment projects within the CRA district. The types of projects funded from the CRA trust fund typically provide community infrastructure, enhancements and amenities that contribute to an environment conducive to expanding and attracting businesses within the area and to higher values for homes and property. The Board of County Commissioners has the discretion to allocate the percentage of the increment that local goes into the Trust Fund, which can range from 50% to 95% of the increment amount.

An illustration of the tax increment revenue potential in a sample of the CRA study area is attached. The sample area for the illustration is the area east of the Gainesville City Limits, west of SE 51st Street, bordered by East University Avenue to the north and by Hawthorne Road to the south, and is centered on the Eastside Activity Center as depicted on **Map 2**. The values presented in the tables show the current property values and provide an illustration of the amount of revenue that could be generated and available for use within the CRA district, based on assumed taxable value growth rates of 1% and 3% annually. Calculations for this illustration are based on the 2010 tax rates for the various taxing entities, and the assumption that these rates will remain constant for the entire time period. Based on an assumed **1%** annual growth rate in taxable value, the total tax increment for the 20 year period would be **\$328,518.10**. Assuming a **3%** annual growth rate in taxable value, the total tax increment for the 20 year period would be **\$1,117,898.00**. This is the amount of incremental tax revenue that would be available for investment in the area over a 20-year period. Note that for the illustration, the growth of the tax revenue increment is presented as a linear increase, however it is expected that actual growth of the tax revenue increment will vary from year to year based the additional revenue contribution arising from new development, changes in assessed values and millage rates. The growth rate of the tax revenue increment is expected to be slow in the initial years and could increase rapidly toward the end of the period, reflecting an increase in property values resulting from reinvestment in the area.

Table 1: Illustration of Projected Revenue for CRA Sample Area (1% Annual Growth Rate)

Year	(A) Sample Area Taxable Value	(B) Total Sample Area Tax Revenue	(C) CRA Eligible Amount*
2010	\$19,082,690	\$439,764.41	-0-
2011	19,273,517	444,162.05	1,627.13
2012	19,466,252	448,603.67	3,270.53
2013	19,660,915	453,089.72	4,930.36
2014	19,857,524	457,620.61	6,606.79
2015	20,056,099	462,196.81	8,299.99
2016	20,256,660	466,818.78	10,010.12
2017	20,459,227	471,486.98	11,737.35
2018	20,663,819	476,201.84	13,481.85
2019	20,870,457	480,963.86	15,243.80
2020	21,079,162	485,773.50	17,023.36
2021	21,289,954	490,631.25	18,820.73
2022	21,502,854	495,537.57	20,636.07
2023	21,717,883	500,492.96	22,469.56
2024	21,935,062	505,497.89	24,321.39
2025	22,154,413	510,552.88	26,191.73
2026	22,375,957	515,658.40	28,080.78
2027	22,599,717	520,814.99	29,988.83
2028	22,825,714	526,023.14	31,915.73
2029	23,053,971	531,283.37	33,862.02
Total Amount of Eligible Tax Increment Funding Over 20 Year Period			\$328,518.10

*These increment amounts are based on the allocation of 100% of the County's share of the millage to the CRA trust fund.

The total amount of funds that would be eligible to be used within the CRA district over the 20-year period is **\$328,518.10** (sum of amounts listed in Column C) based on an annual growth rate of 1% in Taxable Value.

It is established that the amount of the 2010 base year taxes for the sample area is \$439,764.41. The projected revenue is determined by using the formulas $B = r_+(A)$ and $C = (B - \$439,764.41)r_1$ where:

A = Sample Area Taxable Value

B = Sample Area Tax Revenue

C = Increment Eligible to Fund CRA

r_+ = Total Tax Rate for All Entities¹

r_1 = Alachua County General Fund Millage Rate Share²

For purpose of this illustration, the sample area is the area east of the Gainesville City Limits, west of SE 51st Street, bordered by East University Avenue to the north and by Hawthorne Road to the south and is depicted on **Map 2**.

1 The 2010 millage rate of 0.0230452 is held constant for each year for this illustration.

2 The percentage share of the 2010 Alachua County General Ad Valorem millage rate ($8.6263/23.0452 \times 100$) is held constant for each year for this illustration.

3 Taxable Value data for the base year is provided by the Alachua County Property Appraiser

Table 2: Illustration of Projected Revenue for CRA Sample Area (3% Annual Growth Rate)

Year	(A) Sample Area Taxable Value	(B) Total Sample Area Tax Revenue	(C) CRA Eligible Amount*
2010	\$19,082,690	\$439,764.41	-0-
2011	19,655,171	452,957.35	4,881.39
2012	20,244,826	466,546.06	9,909.21
2013	20,852,171	480,542.45	15,087.87
2014	21,477,736	494,958.72	20,421.89
2015	22,122,068	509,807.48	25,915.94
2016	22,785,730	525,101.70	31,574.80
2017	23,469,302	540,854.76	37,403.43
2018	24,173,381	557,080.40	43,406.92
2019	24,898,582	573,792.80	49,590.51
2020	25,645,539	591,006.57	55,959.60
2021	26,414,905	608,736.77	62,519.77
2022	27,207,352	626,998.87	69,276.75
2023	28,023,573	645,808.84	76,236.44
2024	28,864,280	665,183.10	83,404.92
2025	29,730,208	685,138.59	90,788.45
2026	30,622,114	705,692.74	98,393.48
2027	31,540,777	726,863.51	106,226.67
2028	32,487,000	748,669.41	114,294.85
2029	33,461,610	771,129.49	122,605.08
Total Amount of Eligible Tax Increment Funding Over 20 Year Period			\$1,117,898.00

*These increment amounts are based on the allocation of 100% of the County's share of the millage to the CRA trust fund.

The total amount of funds that would be eligible to be used within the CRA district over the 20-year period is **\$1,117,898.00** (sum of amounts listed in Column C) based on an annual growth rate of 3%.

Map #2

