



Proposed Innovation District Infrastructure Improvement Area

Item #110541
Gainesville City Commission
March 17, 2016

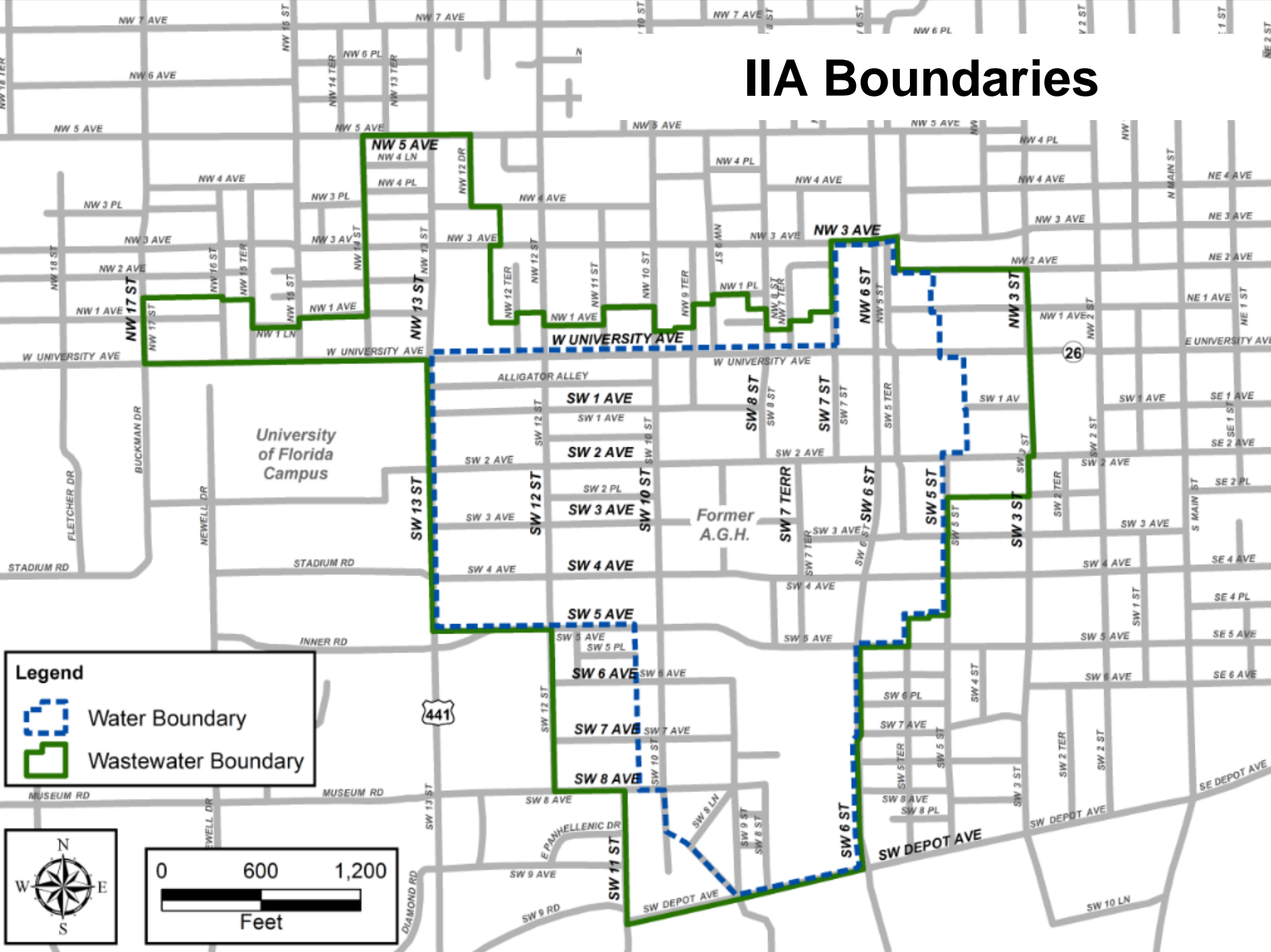
What is an Infrastructure Improvement Area (IIA)?

- Designated area with master plan & funding mechanism for water & wastewater capacity improvements
- Requested by iDistrict stakeholders to facilitate redevelopment in iDistrict area
- Directed by City Commission to work with stakeholders to develop



Previous Direction on Infrastructure Improvement Area (IIA)

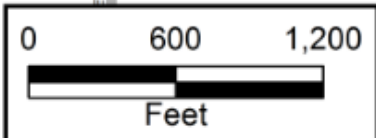
- December 16, 2010 - City Commission direction for utility assessment
- December 15, 2011 - City Commission direction to draft ordinance
- December 5, 2013 – Update to City Commission
- August 20, 2015 – 1st reading of ordinance
- *Pulled from 2nd reading pending UF Agreement*

IIA Boundaries



Legend

-  Water Boundary
-  Wastewater Boundary



Stakeholder Goals

- Design & construct capacity improvements efficiently & cost-effectively
- Make capacity available for redevelopment
- Spread costs for improvements equitably among developers
- Reduce uncertainty in costs for developers

Conventional Policy vs. IIA

Conventional Policy	IIA
Improvements constructed in segments with each development project	Master planned & constructed in conjunction w/ development & roadwork
Each development project pays for improvements needed to serve it	Development projects pay IIA fees which fund improvements over time

iDistrict IIA

- No impact to property owner unless property is redeveloped as commercial or multi-family
- Single family residential exempt
- Renovations exempt
- Fees due prior to issuance of Certificate of Occupancy

Proposed 2014/2015 IIA Fees

Use	Unit	Water	WW
Office/Dry Laboratory	ft ²	\$0.54	\$0.50
Parking Garage	ft ²	\$0.54	NA
Commercial/Institutional	ft ²	\$0.91	\$0.83
Wet Laboratory	ft ²	\$1.09	\$1.00
Multifamily Residential	Bedrooms	\$254.23	\$232.31
Hotel/Motel	No. Rooms	\$363.18	\$331.87

*Fees will be updated annually & will be periodically reviewed.

Proposed 2016 IIA Fees

Use	Unit	Water	WW
Office/Dry Laboratory	ft ²	\$0.58	\$0.60
Parking Garage	ft ²	\$0.58	NA
Commercial/Institutional	ft ²	\$0.98	\$1.00
Wet Laboratory	ft ²	\$1.18	\$1.20
Multifamily Residential	Bedrooms	\$274.64	\$279.21
Hotel/Motel	No. Rooms	\$392.34	\$398.87
Percent Increase from 2014/15		8.0%	20.2%

UF Innovation Square LLC “Backstop” Agreement

- “Back Stop” Agreement
If UF acquires any of the designated properties currently owned by Innovation Square LLC & claims an educational exemption from the IIA fees, then Innovation Square will pay the fees
- Agreement executed Feb 17, 2016

Review Procedures

- Annual review of IIA revenues & expenditures as part of budget process
- Internal caps for cumulative (Expenditures – Revenues) of \$1.5M for water and \$1.5M for wastewater
- If cap exceeded at annual review, more detailed review of IIA & development of revised timeline for cost recovery

Summary

- IIA provides master plan & funding for infrastructure to facilitate redevelopment
- Adjust master plan and fees as appropriate to recover costs
- Proposed ordinance retroactive to projects completed on or after January 1, 2014
- Ordinance facilitates adding other IIA areas in future
- Further evaluation required before adding another IIA

Recommendations

- Approve IIA ordinance on 1st Reading
- Review IIA ordinance with City Commission during FY2018 budget process (i.e. in July 2017)
- Adjust IIA fees as necessary in Appendix A as part of annual budget