

FIFTH AVENUE PLEASANT STREET REDEVELOPMENT DISTRICT

**REDEVELOPMENT
INCENTIVE PROGRAM**

***GAINESVILLE
COMMUNITY REDEVELOPMENT AGENCY***

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Amended mm/dd/yy

I. Introduction

The Fifth Avenue Pleasant Street Redevelopment Plan sets forth a number of Objectives and Policies to guide the redevelopment process. They include Land Use, Economic Development, Housing, Utilities & Services, Transportation, and Community Pride and Cohesiveness. These Objectives and Policies provide a framework for redevelopment activities within the district.

These incentives are intended to encourage redevelopment in the Fifth Avenue Pleasant Street Redevelopment District that complies with the goals of the Plan, implements high quality design, aggressively promotes pedestrian accessibility, increases the diversity of uses, and increases the commercial and residential components of the redevelopment area and enhances commercial usage. The program is limited to commercial, mixed-use, and mixed-income housing including a substantial market-rate and/or affordable component. It is also designed to reduce the cost of development in the redevelopment area by offering to reimburse for various charges and public infrastructure improvements associated with new development. The reimbursement is derived solely from the increase in taxes generated by the completed project.

This Redevelopment Incentive Program includes a menu of reimbursement eligible items that can be tailored to each project:

- Water and wastewater meter costs and connection fees
- Tap charges (required when a project must tap into the line--not meter or connections costs)
- Meter fees (gas or electric)
- Undergrounding utilities
- Placement of utilities in buildings to avoid large surface-mounted facilities on site
- Utility enclosures (intended to reduce clutter of utility boxes in pedestrian areas)
- Streetscaping and upgraded lighting to redevelopment area design criteria and other applicable standards
- Addition to capacity of stormwater management infrastructure at off-site or on-site locations
- Curb and gutter, sidewalks
- Parking that does not disrupt the pedestrian scale of the district (such shared decked parking located above ground level retail, or parking located in the interior of the development)
- Dumpster enclosures
- Trunk main improvements or extensions
- Provide Green building inventory that achieves LEED certification, or equivalent (this criterion would only apply if language endorsing Green buildings is incorporated into the Fifth Avenue Pleasant Street Redevelopment Plan at a future date)

It is intended that an applicant may request reimbursement for any or all of the above items, subject to available funding, qualification, execution of formal agreements as necessary, and to the extent that the “but for” gap exists. Each project will be evaluated to determine the incentives the project qualifies for, and the applicant must then select the type for which they will apply. Approval of an application under this program in no way grants a project vested rights for development or grants any third-party benefit.

The CRA reserves the right to set priorities among applications under consideration if necessary. The CRA also reserves the right to revoke or change this package of incentives at any time and for any or

no reason. The CRA may reject an application if the applicant does not provide additional information requested, if the information provided is incomplete or inconsistent, or if circumstances change during consideration. The CRA may offer these or other incentives for projects that the CRA initiates.

II. Eligibility

In order for a project to be eligible for an award, the applicant must submit a request and that request must be approved prior to an initial building permit being issued or any work being completed by the applicant, related to that project. (Demolition associated with environmental clean up and/or cleaning the site to be an attractive site for purposes of sale or to gain bank/developer interest is allowed.) No award will be considered or approved for a project which has commenced or been completed. Projects must be eligible for an award of \$25,000 to be considered for an award. Awards smaller than \$25,000 will not be considered.

The developer will be required to agree not to ask for, apply for or accept any exemption from City and/or County ad valorem taxes related to the project or project site. If, during the life of any Development Agreement the CRA executes to provide funding for the award, some or all of the project or project site becomes subject to City and/or County ad valorem tax exemptions, the developer will be required to agree the proportionate reduction in tax increment revenues. The developer will further agree that in the event some or all of the project/project site is transferred by developer to a type of ownership that is exempt, in whole or in part, from City and or County ad valorem taxes further reimbursement shall cease.

Applicants for this program are advised that there will be default language in the development agreement that protects the CRA from changes within the project after approval and that incentives can be withdrawn if default occurs.

The applicant must demonstrate that the project would not be feasible but for the award amount requested. All applicants must comply with all Incentive Design Guidelines. Awards under this program will also be limited as follows:

Awards under this program are limited by the amount equal to:

- 100% of the tax increment revenues generated by the project for up to 5 years, or
- 50% of the tax increment revenues generated by the project for up to 10 years, or
- 25% of the tax increment revenues generated by the project for up to 20 years.

Added increment reimbursements are permitted for a maximum of five additional years, up to the “but for” gap, for projects such as trunk line upgrades, which constitute substantial public wastewater infrastructure improvements, as defined by GRU. (See enclosed map.) These additional payments will be equal to 50% of the original payment percentage.

Award approvals will be based policies and procedures of the CRA, and the City of Gainesville and state and federal law as may be applicable.

III. Disbursements

The amount of tax increment revenues generated by the Project, if any, will be paid to the Developer by the CRA on an annual basis, in March of each year. Beginning during the City's fiscal year that commences January 1 after the completion date of the Project and after the Alachua County Property Appraiser assess the value of the Project, except if the cap ("but for gap") is reached prior to the end of the selected disbursement period. For example, if the Project is completed in calendar year 2009, so that property taxes for the completed Project will be paid during the City's fiscal year 2010-2011 (i.e., after October 1, 2010), the first reimbursement payment would be made in March 2011. The payments would continue until either the duration (i.e., 5 annual payments) is met or the dollar amount of the "but for gap" is reached. The "but for gap" is a cap on the amount reimbursed and if that cap is reached prior to the end of the selected reimbursement period, the payments will cease once that cap is reached. For example, if the "but for gap" is \$200,000, the selected reimbursement period is five years, and four annual payments totaling \$80,000 have been made, only \$20,000 will be paid in year five. If the disbursement period ends prior to the cap being reached, no further payments will be made. A development agreement must be executed within 6 months of application approval, or approval shall be null and void.

IV. Application Process

- Applicant (property owner or agent with property owner's written consent) will submit an application to CRA staff including:
 - \$1,000.00 application fee
 - Description of the proposed project including street address, tax parcel number, legal description, preliminary design, square footage of commercial, and/or number of residential units;
 - Description of how the project implements the redevelopment plan based on the selection criteria listed in Section V;
 - Current taxable value for the property;
 - Estimated taxable value after construction of the entire project;
 - Information demonstrating that the project meets, at a minimum, LEED certification or recognized equivalent; this status will be subsequently certified by a registered professional. (This criterion would only apply if language endorsing Green buildings is incorporated into the Fifth Avenue Pleasant Street Redevelopment Plan at a future date)
 - Construction pro forma demonstrating that the project would not be undertaken but for the public funds necessary to make the project financially feasible (the entire construction index must be provided in order to verify the construction costs associated with each construction item);
 - List of those items on the incentives menu that are requested for the project;
 - The amount requested and substantiated by the construction proforma;
 - Description of permits and fees, to be reimbursed and associated costs;

- Information about any governmental approvals required, including land use and zoning changes etc.; and
- Other information as requested by staff considering the particular project.
- Staff will review the application, and a recommendation will be made to the Fifth Avenue Pleasant Street Redevelopment Advisory Board (FAPS) based on an evaluation of the information provided in the application and in response to the Selection Criteria.
- The FAPS Advisory Board will review the application, and make a recommendation to the CRA based on an evaluation of the information provided in the application and in response to the Selection Criteria and to the analysis of CRA Staff.
- After considering recommendations by CRA staff and the FAPS, the CRA may accept or reject the application, or may approve the application with changes or conditions, based on the standards set forth herein.

Following approval the staff shall prepare or cause to be prepared a Development agreement with the property owner/developer, which must be entered into before any disbursement of funds by the CRA.

V. Selection Criteria

Projects seeking incentives must address issues identified in the FAPS Redevelopment Plan. Requests for incentives will be evaluated on the following criteria. A project must meet a majority, of the criteria listed below. Does the project:

- Increase commercial viability of the area
- Provide opportunities for different housing to accommodate different demographic groups
- Replace older or underutilized utility lines where needed
- Increase mobility through transit service and pedestrian improvements
- Develop local-serving neighborhood commercial centers. These commercial operations will be of the nature and scale to primarily serve residents and businesses located within the Fifth Avenue Pleasant Street Redevelopment Area
- Augment existing street grid system
- Address district stormwater improvements
- Provide neighborhood improvements- safety, identity, and facilities
- Provide opportunities for consumers to shop within the district
- Implement streetscaping improvements including sidewalks, curb, gutters and lighting
- Provide public art
- Use Crime Prevention through environmental design (CPTED) techniques