
ECONOMIC DEVELOPMENT MEMORANDUM

TO: ECONOMIC DEVELOPMENT UNIVERSITY COMMUNITY COMMITTEE
(EDUCC)

FROM: ERIK A. BREFELDT, ECONOMIC DEVELOPMENT DIRECTOR

SUBJECT: Proposed Innovation Campus at the former GRU Maintenance Facility.
Memo #1

DATE: JANUARY 25, 2007

Background

Over the past several years, the City Commission has recognized that the local economy, although remaining steady in terms of employment opportunities, is limited in its ability to provide higher incomes in a substantially diverse economic environment. This is reflected in continued high concentration of employment in the public and retail sectors of the local economy and the relatively low per capita and average annual wage rates that these sectors generate.

In an effort to address this concern, the City Commission has taken a broad public policy posture that emphasizes building the area's capacity to capitalize on the development of Innovative Economy development opportunities. This emphasis is based upon the area's competitive advantage which is the role that the University of Florida plays in acting as a catalyst, through attraction/retention of intellectual capital and research funding resources, for the development of a more diverse local economy.

In practical terms, the City has emphasized this posture by continuing to support the role of GTEC in facilitating the growth and development of Innovative Economy firms. This includes providing operating funds to support the facility and building this hub through land assembly in its immediate vicinity. In addition, the City recently endorsed an Innovation Zone concept as a Comprehensive Plan Amendment designed to institutionalize its efforts while concurrently entering into a performance agreement with the Gainesville Area Chamber of Commerce to build the Innovation Zone. Finally, the EDUCC has been utilized as a mechanism by which cooperation amongst various area economic development partners can be fostered in this regard over the past few years.

The redevelopment opportunity associated with Gainesville Regional Utilities recently approved relocation to North Main Street provides an opportunity to further establish and encourage development of Innovative Economy opportunities within an existing urban setting; it lends credence to recent efforts to establish additional inventory for facilitation of the Innovative Economy in proximity to the University of Florida main campus and, it becomes available at a time when the area is beginning to reach a critical mass in the building of Innovative Economy firms and, when the State of Florida is moving in a similar policy direction.

The GRU Subject Property

The subject property consists of approximately 16.5 acres located directly east of the existing Gainesville Regional Utilities (GRU) Administration building. The subject property consists of three parcels lying south of SE 4th Avenue and west of SE 7th Street. The parcels range in size from four (4) acres to six (6) acres to six and a half (6.5) acres. The Land Use and Zoning on the subject property are Public Facilities and Public Service respectively (it has been indicated by Planning staff that a likely future zoning designation on the property could be CCD which is flexible in regards to development standards such as floor area ratio and setbacks)

A portion of the subject property is located within the Traditional City Special Area Plan and both the Downtown and Eastside CRA. The parcels are bounded to the west by Sweetwater Branch Creek with a portion of the Creek being at grade and a portion being piped underground. According to GRU staff, there are no environmental contaminants affecting the subject property, however, a Phase I environmental review has not been conducted.

Current uses of the property include a variety of maintenance functions and associated buildings as well as a large amount of surface level parking. The subject property is bounded to the north and east by medium density residential property and to the south by Public Facilities and Industrial property. A community garden is located at the southwest corner of SE 4th Avenue and SE 6th Terrace on the northern most parcel and is utilized by surrounding residents.

In 1999, a Master Plan for the Depot Neighborhood and the Gainesville Regional Utilities Campus was produced by Dover-Kohl to conceptualize future development of the area. The subject property appears to have been planned for future development as primarily residential at various densities with an emphasis on preservation of open space. It is reported that City staff conducted various visioning sessions with residents prior to the Dover-Kohl process as well.

Proposed Innovation Campus Advisory Entity

There are a multitude of issues to assess regarding development of the site as a proposed Innovation Campus. These include:

- Predevelopment (Broad Site Concerns, Location)
- Market, Financial and Political Feasibility
- Site and Engineering Analysis
- Financing
- Development Agreement/Contractor Negotiations & Public Approvals
- Construction
- Marketing
- Property Management

Because the Innovation Campus is designed to be occupied by Innovative Economy firms that have specific needs and in order to maximize input into the planning process by the various relevant parties, it is recommended that an advisory entity be put into place to report out recommendations to the EDUCC regarding the aforementioned issues.

The advisory entity would be comprised of pertinent slotted positions; would have as its mission to advise the EDUCC (as a standing City Commission Committee) on development associated with the Innovation Campus over a defined period of time; and, meet quarterly and have representation from one member of EDUCC.

Slotted positions are proposed to be as follows and consist of two representatives per slotted position except for the EDUCC representative:

- Entrepreneur
- Developer
- Finance (Conventional/Venture)
- UF Representative (OTL/Administration)
- EDUCC Member
- Citizen at Large

There are two options that could be pursued by the EDUCC for creation of such an entity: 1) A new entity, initiated by the EDUCC, could be formed with participation by the aforementioned slotted positions focusing on the Innovation Campus project; or, 2) the EDUCC could utilize the services of an existing group, such as the GTEC Advisory Board, to review the Innovation Campus project.

In the case of the GTEC Advisory Board, this group currently has representation from several of the aforementioned slotted positions and could simply be expanded for the purposes of focusing on this project. Other groups, such as DRAB, the Eastside Advisory Board and various neighborhood groups will be consulted during review of the project as well.

If neither of these options is deemed suitable, and the EDUCC wishes to stay more intimately involved in the project, the established EDUCC could be expanded by special invitation to include representatives as outlined above to focus on the Innovation Campus project.

If an outside advisory entity is utilized, the intent would be for this group to report back to the EDUCC periodically for decision making purposes and when necessary for referral of matters to the City Commission.

Timeline

The move of the former GRU maintenance operation to North Main Street is anticipated to be accomplished over the next two years. As a result, the pre-planning process for the Innovation Campus should be completed within this timeframe.

Therefore, the following general timeline is proposed for the project:

- Meet with selected project entity to explore various facets of project and report recommendations out to EDUCC; perform necessary due diligence (title, environmental, regulatory requirements etc.) (Months 1 – 12)
- Piggyback on Depot Park Area Master Plan for conceptual design of Innovation Campus, related infrastructure and buildings; ensure citizen participation (Months 9-15)
- Prepare and process Private Developer RFP for Innovation Campus Development consistent with conceptual design; secure tenant commitments (Months 15 – 24)
- Award Innovation Campus Development to selected Developer and begin implementation of phased approach to Innovation Campus Construction (Month 24 – 30)
- Complete Phase I construction and accommodate prospective tenants (Month 30–36)

Staff Recommendation

The EDUCC direct staff to work with the GTEC Advisory Board and additional aforementioned slotted participants to begin the site analysis and due diligence process for the Innovation Campus and report back to the EDUCC at regular intervals on progress within the context of the proposed timeline.