

City of Gainesville

*City Hall
200 East University Avenue
Gainesville, Florida 32601*



Meeting Agenda

April 17, 2006

3:00 PM

City Hall Auditorium

Community Redevelopment Agency

*Rick Bryant (Chair)
Jack Donovan (Vice Chair)
Ed Braddy (Member)
Chuck Chestnut (Member)
Pegeen Hanrahan (Member)
Craig Lowe (Member)
Warren Nielsen (Member)*

Persons with disabilities who require assistance to participate in this meeting are requested to notify the Equal Opportunity Department at 334-5051 or call the TDD phone line at 334-2069 at least 48 hours in advance.

CALL TO ORDER**ROLL CALL****ADOPTION OF THE CONSENT AGENDA****SECRETARY CONSENT****051105 Community Redevelopment Agency (CRA) Minutes (B)**

RECOMMENDATION *The CRA approve the minutes of March 20, 2006, as circulated.*

CRA Meeting Minutes20060412.pdf

051172 Appointment of Mary C. Rhodes to the Eastside Redevelopment Advisory Board (NB)

RECOMMENDATION *The CRA appoint Mary C. Rhodes to the Eastside Redevelopment Advisory Board for a term to expire June 17, 2009.*

Member Braddy: Rhodes

Member Chestnut: Rhodes

Member Donovan: Rhodes

Member Hanrahan: Rhodes

Member Lowe: Rhodes

Member Nielsen: Rhodes

Chair Bryant: Rhodes

EXECUTIVE DIRECTOR CONSENT**051055 Environmental Issues Incentive Program (NB)**

Explanation: Staff is developing the guidelines for a new Environmental Issues Incentive Program. The basic outline of the program is being established and then a draft will be circulated to a number of environmental professionals for comments prior to adoption.

The following terms are currently under consideration:

Eligibility requirements - This program would be available in all four CRA areas. The program could be used as a standalone incentive program or a developer could apply to the Environmental program and one of the other CRA

incentive programs. If the developer applied to more than one CRA program the environmental issues could not count toward eligibility for both programs. As an example, if the developer applied to the Transformational Projects Incentive Program they could not claim the points for environmental clean up and would need to qualify under that program without those points. The developer would need to provide Phase 1 and Phase 2 environmental studies with a full report on the contamination. The developer would need to provide from the appropriate agencies at the Federal, State and/or County level information about which programs the site is eligible for and what funding for clean up will be provided, anticipated length of time before cleanup will occur, and information about the level and type of clean up to be undertaken. This program is meant to be a program of last resort, as well as a partnership between the CRA, the developer and the current or most recent property owner.

Selection Criteria- Applications will be reviewed based on selection criteria including extent of contamination, level of cleanup or remediation, availability of other funding (Federal and State), level of additional CRA support applied for and property owner and developer participation in the clean up costs. All proposed projects for the site following environmental cleanup must meet the goals of the area's Redevelopment Plan. In the case of recent acquisition or anticipated property acquisition, the developer must show that the current/last property owner participated in the clean up costs. It is not the intention of the CRA to encourage property owners with contaminated sites to move them into redevelopment and expect that the CRA will bear the cleanup costs. Each application will be reviewed by an outside source to insure that CRA has the best possible information available to make their decision. Staff recommends a non-refundable application fee be charged to cover this service.

Incentive available- All incentives will be back end incentives, paid for from the increment generated by the project. The amount of the incentive and the length of time over which it will be paid will be determined based on each site's specific situation. At no time will more than 90% of the increment generated by a project be awarded. The 90% limit is cumulative and developers who apply to more than one program will need to bear this in mind.

Fiscal Note: None at this time

RECOMMENDATION

Executive Director to the CRA: Refer program to the Advisory Boards and outside consultants for comments.

Legislative History

3/20/06	Community Redevelopment Agency	Approved as Recommended (6 - 0 - 1 Absent)
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051181

Update on Redevelopment Projects (NB)

Explanation: Staff has been asked to provide an update on several redevelopment projects.

Gainesville Greens- Staff will be meeting with the developer late in April to discuss the final issues in the development agreement.

University Corners- The CRA attorney is work with the attorney from University Corners to define the footprint for the project. This is a key element in finishing the development agreement.

Model Block Project Update- The first house, Site A, in the Pleasant Street Model Block area is ready to be sold. The CRA will have an open house at the site for potential buyers on the weekend of April 22 and 23. A pre bid meeting is scheduled for May 4, 2006 at 7pm at the Florida Community Design Center and bids will be accepted on June 2, 2006. Site B is nearing the mid point of construction and Site D construction should begin shortly.

Grant awarded for Fifth Avenue Historic Survey- The Bureau of Historical Resources with the Florida Department of State has recommended funding a \$10,000 grant to evaluate the historic resources in the Fifth Avenue neighborhood. The CRA agreed to this survey as part of the National Trust for Historic Preservation Inner City Venture fund loan for the Model Block project. Staff will be working with architectural students from UF to do the field work.

Tackle Box Project- The Eastside Advisory Board has begun working with a landscape architect to create a design for the gateway feature. The Board has suggested several options and the landscape architect is refining them now. Advisory board recommendation will come to the CRA early this summer.

Northwest 5th Avenue Streetscape- GRU has begun some of the undergrounding work in anticipation of the streetscape. Public Works is still awaiting several necessary easements for the project and the CRA continues to work with Cox Communications on their undergrounding plan. Staff anticipates that the streetscape will be built this summer when fewer students would be impacted by the construction.

Visual Master Plan- A final draft is being circulated prior to printing. Once any final changes are completed the map will be printed and ready for distribution.

Eastside Expansion- Four firms attended the prebid conference and proposals are due on April 24, 2006.

Master Plan for Area surrounding Depot Park- This Request for Qualifications is currently being circulated for comments.

Fiscal Note: None at this time

RECOMMENDATION

Executive Director to the CRA: Hear an update from staff.

ADVISORY BOARDS/COMMITTEES CONSENT

College Park/University Heights Consent

Downtown Redevelopment Advisory Board Consent

051178 Exterior Lighting for the Hippodrome Theater (B)

Explanation: At their March 22, 2006 meeting, the Downtown Redevelopment Advisory Board (DRAB) heard a presentation from representatives of the Hippodrome State Theater regarding exterior architectural lighting for the Hippodrome Theater.

The Hippodrome is one of the most architecturally important buildings in the Downtown area and is often the image most closely identified with the Downtown. The Redevelopment Plan discusses that an "aesthetically pleasing pedestrian environment is another critical component to the future success of the downtown core." DRAB believes that the addition of this lighting will serve to highlight the center of downtown and will be a draw.

The Hippodrome has identified a new form of strip lighting that is energy efficient and easy to maintain and install. The Hippodrome will absorb the ongoing cost for the lighting in their monthly power bill, will provide volunteers to install the lighting and will be responsible for any maintenance. They are requesting that the CRA fund the \$37,000 for the cost of lighting material.

The lighting will be used to highlight the architectural elements of the building. A representative from the Hippodrome will attend the meeting to make a presentation on the project. Because the Hippodrome is a City building, if the CRA chooses to fund this project it will need to obtain City Commission approval of the project.

Fiscal Note: There are funds in the MY 610-790-W202-5520 Streetscape account that could be used for this project.

RECOMMENDATION

Downtown Redevelopment Advisory Board to the CRA: 1) Recommend the CRA fund \$37,000 for architectural lighting for the Hippodrome Theater; and 2) request the seek City Commission approval for the project.

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END OF THE CONSENT AGENDA

ADOPTION OF THE REGULAR AGENDA**SECRETARY****EXECUTIVE DIRECTOR****051180 Northwest 5th Avenue Corridor Plans (NB)**

Explanation: Jesse Wiles of Asset Property Disposition, Inc. has been working to create a plan for the redevelopment of the Northwest 5th Avenue corridor from Northwest 3rd Street to Northwest 10th Street. The plan looks at potential parking improvements, new commercial infill opportunities, and new residential infill opportunities.

One of the key issues facing the easternmost part of Northwest 5th Avenue is the need for parking to help the businesses located between Northwest 6th Street and Northwest 3rd Street. APD, Inc. has identified a lot that could potentially be used for parking at the corner of Northwest 3rd Street and Northwest 5th Avenue. Public Works has looked at the lot and believes that it is suitable for parking and could net 17 spaces with 2 handicapped spaces. Staff would like the CRA to recommend and fund the City's acquisition and building of a parking lot on the property.

Staff is seeking CRA input on the plan. The Fifth Avenue Pleasant Street Redevelopment Advisory Board has been struggling with attendance issues and has failed to obtain a quorum for the past two month. Rather than slow this project down, staff is bring the project forward through the Executive Director.

Fiscal Note: None at this time.

RECOMMENDATION

Executive Director to the CRA: 1) Hear presentation from APD, Inc and 2) recommend and fund the City's acquisition and building of a parking lot on the property.

051045 Update on Jefferson on Second (B)

Explanation: The developer of Jefferson on Second continues to work on refinements to the Transformational Project Incentive Program application and will be available to answer questions at the CRA meeting.

Staff received the attached report on April 10, 2006. The report provides additional information regarding the project, including new renderings for the project, a proposed development description and current information on the environmental issues.

A neighborhood meeting was held on Tuesday, April 11, 2006 at the Florida Community Design Center. The meeting began at 6:30 pm and 16 people were in attendance. The project was well received. The key issues that were raised at the meeting included concerns about traffic on Southwest 5th Street caused by egress and ingress to the parking garage, and the projects impact on the Porter's neighborhood.

Staff has requested that PMG and Associates provide an opinion on the question of feasibility of mixed use at the location of this project. A copy of their letter is included in the back up. After review PMG and Associates has stated that they feel that low traffic counts and lack of pedestrian activity make this location not well suited for mixed use. PMG and Associates believes that it would be better to capture the spending potential of residents in the Downtown and/or along University Avenue rather than try to create new retail locations. Staff has verified that to date none of the retail space in the West University Avenue Lofts project have been rented. It is anticipated that renting those spaces will be easier after the residents move into the project.

The developer continues to work with their consultants and the County to define the environmental issues. Information on this issue is in the packet provided by the developer.

There was a request for clarification regarding the construction type. Staff understands that this project will be wood frame construction.

Fiscal Note: Projects that receive 25 points under the Transformational Incentive Program are eligible for up to 80% of increment generated by the project for 15 years.

RECOMMENDATION

Downtown Redevelopment Advisory Board (DRAB) to the CRA: 1) DRAB supports the project type, scale and mass; 2) DRAB does not support the request for 90 % of the increment for 23 years; however, 3) DRAB would be willing to recommend the program be amended to include a slight increase in the percentage of increment, if high contamination costs were to merit it.

Executive Director to the CRA: 1) Approve the Transformational Projects Incentive Program application for Jefferson on Second Avenue providing 80% of the increment generated by the project for up to 15 years under the current terms of the program, not the 90% for 23 years as requested; 2) condition the approval on the developer's having submitted a façade design satisfactory to the CRA; and 3) the CRA authorize the Executive Director to negotiate the terms of and execute the development agreement and any other documents necessary.

Legislative History

3/20/06 Community Redevelopment Agency Continued (6 - 0 - 1 Absent)
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050445

Review of the Transformational Project Incentive Program (B)

Explanation: In Fall 2005, while reviewing the University Corners application, the CRA Board asked that the Transformational Projects Incentive program be reviewed in six months. At this time the CRA has received two applications to the program, one for University Corners, and one for Jefferson on Second.

The program was created to help move key sites into redevelopment. These sites, located in various CRA areas, are challenging for a variety of reasons including difficult land assembly, environmental issues, and complex infrastructure or parking needs. The program is structured to explain to developers what the CRA expected and desired from redevelopment projects and to help quantify for the CRA Board which projects merited incentives.

The program lists specific redevelopment goals that projects must meet and provides a points system to evaluate the level of incentives for which the developer can qualify. Each Advisory Board created a unique points system for their area that focused on the issues they believe are key to redevelopment. The program also lists the types of public infrastructure, design, and land assembly expenses for which the CRA will reimburse the developer.

Over the past few years the CRA has moved to providing only back end incentives for projects. These incentives are paid for from the tax increment generated by the project, rather than having the CRA participate in projects by incurring debt. Since the CRA's ability to borrow is limited and the increment is not large enough to provide front-end infrastructure for the projects, this strategy is the only way the CRA can participate in projects.

Overtime, other CRAs have moved to back end incentives for the same reasons. Similar programs exist in Orlando, Ft. Myers and Daytona Beach. The Development Agreement form is based on a model from Orlando. The push to increase residential units in the urban core is seen statewide. Significant residential density is required to support the type of urban environment Gainesville is seeking, and incentives for residential development are often key to getting the units built.

When originally created, the program anticipated projects in the \$40 to \$50 million range. This range is significantly higher than anything that has ever been built in the CRA. That University Corners was the first application to the program has had two ramifications. First, it has redefined what "transformational" means, and the projects originally anticipated by the program pale in comparison to the \$187 million University Corners project. This comparison is unfortunate because the CRA would benefit from the development of a number of \$40 to \$50 million projects throughout the four CRA areas. This type of redevelopment would be easier for the market to

absorb and be more reflective of a solid growth pattern. University Corners will be a great addition to Gainesville, but should be a unique one of a kind development much like City Place is in West Palm Beach rather than the standard for all future development in the CRA. Second, University Corners has given the impression that if developers requests higher incentive they will receive them.

After working with the program there are several areas that staff recommends be considered for modifications.

1. Clarification of the items for which developer receives points – Staff recommends that the items for which developers receive points be clarified to make them more straightforward. This clarification should help developers understand exactly what is expected if the points are claimed. As an example, tying into the City Stormwater Park is not a creative stormwater solution.

2. Changes to the point system - Staff recommends that the point system be referred back to the Advisory Board for review. College Park University Heights has discussed several additions they would like to consider for inclusion based on the updated Redevelopment Plan. The CRA Board may also wish to make amendments to the points system independent of the Advisory Board recommendations. The point value of certain items could be adjusted and the level to meet the threshold could be raised.

3. Clarification of the role of the “but for” gap in formulating the incentive amount - There is an opportunity to clarify the overall concept so that it becomes clearer that the “but for” gap in the project is at the heart of the incentive; that the CRA will reimburse the developer for infrastructure, design and or land assembly costs up to the value of the “but for” gap; and that the 60% or 80% figure represents the maximum annual payment to the developer towards covering that gap. The program should also clarify the net present value concept and make it clear that the program may cover the gap early if the increment generated by the property is higher than anticipated or may never cover the gap if the increment is lower than anticipated.

4. Introduction of Design Guidelines - The CRA could establish design guidelines for this program that would help to define the desired features in future projects. These guidelines could include desired façade materials, architectural features, mass, scale and building rhythms.

5. Establish a non-refundable application fee - Some communities require that the developer provide an outside review of their project as part of their application. At present the CRA hires a firm to review the projects and the review can run between \$10,000 and \$15,000. Staff recommends that the CRA continue to hire its own consultant to review projects rather than require the developer to provide the review but does believe that a non refundable application fee should be charged to help cover the cost. The establishment of an application fee would also help insure that the developer works closely with staff to be sure the application is complete and meets all the criteria before submittal.

6. *Authorization for staff to decline an application – If an application does not appear complete, does not meet the criteria, requests more funding than it is eligible for, or from the consultant’s report does not meet the “but for” test staff requests authorization to decline the application without bringing it forward to the CRA. Staff, including the Executive Director, the Community Development Director, the Finance Director, the CRA Attorney, and the CRA Manager would review the application, consultant’s report, and other materials and determine if the application should move forward. This should help clarify for the developer that the program parameters are firm.*

7. *Review of the amount of incentive offered - The CRA may wish at this time to review the level of incentives offered to the developers. The program has now moved to providing the increment stream which represents the net present value of the pre-determined “but for” gap with annual payment being no more than 60 % or 80% of the increment generated by the project based on the points system. Staff recommends that rather than decrease the incentive offered, the CRA consider implementing some of the earlier suggestions that would clarify the terms of the program and help insure a better quality project and review the program again six months after the recommended changes are implemented.*

8. *Limit or prohibit contact between applicants and Community Redevelopment Agency and Advisory Board members outside of public meetings.*

Once the CRA has determined which changes it would like to implement staff will prepare a draft of the program for review by the Advisory Board and return to the CRA with their recommendations. Staff recommends that applications be reviewed under the current program if submitted prior to changes being implemented.

Fiscal Note: None at this time

RECOMMENDATION

Executive Director to the CRA: Recommend the CRA direct staff to work with the Advisory Boards to make recommendation for the following changes to the Transformational Projects Incentive Program: 1) clarify the items for which developers receive points; 2) review possible changes to the point system; 3) clarify the role of the “but for” gap in formulating the incentive amount; 4) consider the introduction of design guidelines; 5) establish a non refundable application fee; 6) authorize staff to decline an application; 7) review the amount of incentive offered; 8) limit or prohibit contact between applicants and Community Redevelopment Agency and Advisory Board members outside of public meetings.

Legislative History

9/19/05	Community Redevelopment Agency	Placed on File
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10/17/05 Community Redevelopment Agency Approved as Amended (3 - 1 - 3 Absent)
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051192**Capital Improvement Project Budget (B)**

Explanation: The City of Gainesville is changing its budgeting cycle and will review its Capital Improvement Project budget prior to its operating budget as part of this year's budget cycle. In order for the CRA budget to fall within the standard City budget cycle the CRA will need to follow the same pattern. Staff has prepared the attached Capital Improvement Project budget for CRA review. The full CRA budget will be heard at the May CRA meeting.

While the CIP budget has not been reviewed by the Advisory Boards most of the projects listed are ongoing projects that have already received CRA approval. There are three recommended projects that have not been previously discussed. Initial funding to provide decorative lighting along East University Avenue, in the Downtown area and in the Eastside areas; and initial funding for pedestrian improvements to the intersection of East University Avenue and Waldo Road have not been discussed. If the Advisory Board recommends any changes they will be brought forward to the CRA as part of the full budget. Given the complexity and cost of projects undertaken by the CRA it is not unusual for the CRA to budget funds for several years before a project is undertaken.

The CIP plan for each area is as follows:

College Park University Heights: This area has four items on the CIP list including sidewalks and lighting on Southwest 7th Avenue; funding for stormwater improvements over the next 4 years; streetscape improvements to Southwest 8th Avenue and improvements to the Southwest 5th Avenue triangle.

Downtown: This area has two projects on the CIP list including lighting for Southeast 7th Street and initial funding for decorative lighting on East University Avenue between Northeast 3rd Street to Waldo Road beginning the FY 08 and running through FY 2010.

Eastside: This area has four projects in the CIP including funding for the Gateway project at the Tackle Box, the East University Avenue Median project, initial funding for decorative lighting along East University Avenue between Waldo Road and Northeast 15th Street; and initial funding beginning in FY 08 for pedestrian enhancements to the intersection at Waldo Road and East University Avenue.

Fifth Avenue Pleasant Street: This area has three projects in the CIP including funding for two Model Block houses and continuing funding for the Northwest 5th Avenue Streetscape project.

Fiscal Note: As noted in the Capital Improvement Project worksheet

RECOMMENDATION

Executive Director to the CRA: Approve the Capital Improvement Plan as presented.

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CRA ATTORNEY**REPORTS FROM ADVISORY BOARDS/COMMITTEES****College Park/University Heights Redevelopment Advisory Board****051177****College Park/University Heights Incentive Design Guidelines and Changes to the Redevelopment Incentive Program (B)**

Explanation: As new redevelopment projects continue to be constructed, the College Park/University Heights (CP/UH) Redevelopment Advisory Board has become increasingly concerned with design quality. The CPUH Board formed a subcommittee to develop design standards for developers in the College Park University Heights area. This recommendation came out of a discussion about how it might make changes to the Redevelopment Incentive Program to insure the best quality design possible. Incentive Design Guidelines were developed by the subcommittee and would be used in conjunction with the Incentive Program to help developers understand early in the process the caliber development expected.

These Incentive Design Guidelines would not limit the developer's choices by being regulatory, but would rather set the stage for better design through increased awareness. The guidelines include a number of requirements and recommendations to improve design, such as requiring front presentation to the street, façade articulation, etc. The guidelines have been paired in a table format with the applicable regulations from the Special Area Plans, in order for developers to more easily compare the additional requirements over the Special Area Plans requirements. The proposed Incentive Design Guidelines have been recommended for adoption for the College Park/University Heights Redevelopment Advisory Board and are attached for review.

In addition to the Incentive Design Guidelines that have been developed, changes to the Redevelopment Incentive Program have been proposed. The changes proposed make adherence to the Incentive Design Guidelines mandatory for all applicants. In addition, new criteria have been added to reflect the priorities of the amended College Park/University Heights Redevelopment Plan, adopted in November 2005. A copy of the Redevelopment Incentive Program, showing the modifications, has been included for review.

Fiscal Note: None.

RECOMMENDATION

College Park University Heights Redevelopment Advisory Board to the CRA: 1) Approve the Incentive

Design Guidelines; and 2) amend the Redevelopment Incentive Program as requested.

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Downtown Redevelopment Advisory Board

Fifth Avenue/Pleasant Street Redevelopment Advisory Board

Eastside Redevelopment Advisory Board

MEMBER COMMENT

CITIZEN COMMENT

NEXT MEETING DATE

May 15, 2006

ADJOURNMENT