

LEGISLATIVE #

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Excerpts from the Alachua County Manager's FY12 Budget Message

Economic Development/Fairgrounds

The Board approved the Master Plan for the County's new fairgrounds complex in September 2008. Although planning and zoning activities have continued, plans for actual construction have been put on hold because of the economic downturn and the reduction in general revenues. The construction of the fairgrounds remains however, a long-term, critical, economic development priority. The operations of the new fairgrounds will generate additional tax revenue in the form of sales tax and tourist development tax and is projected to add in excess of \$25 million annually to the local economy. Another important aspect of the new fairgrounds is that it is one of the key elements expected to drive new economic development in East Gainesville. Development of the new fairgrounds will serve community agricultural, exposition and assembly space needs and allow for reuse of the existing fairgrounds property for the development of a commerce park on NE 39th Avenue in accordance with the implementation of the East Gainesville Redevelopment Plan.

In April 2010, the County Commission approved a 2% additional tourist development tax to be applied to lodging in Alachua County. Each additional percentage point equals approximately \$650,000 to \$700,000. In July 2010, the County Commission decided to commit the proceeds from one percent of the bed tax to the construction of the Fairgrounds. The bed tax receipts can be leveraged as debt service for a construction bond issuance of \$7-8 million. The cost of phase one of a replacement fairgrounds is estimated to be \$18-20 million. A commitment will have to be made to identify additional funding sources to fully cover the cost of construction. Discussions of any potential one-cent sales tax should include the consideration of allocating a portion of the proceeds to the construction of the new fairgrounds.

Early in 2011 letters of interest from private developers were solicited to create a public/private partnership to advance the development of these facilities. None were received and it was determined that the economic downturn limited local private capital from being offered for this venture. County staff has begun discussions with the Gainesville Regional Airport administrative staff regarding joint planning and marketing for the existing Fairgrounds site and adjacent Airport property. The newly authorized position of Economic Development Coordinator will be tasked with pursuing both the fairgrounds and Plan East Gainesville as part of the overall economic development.

Tourist Development Council

In FY11, Tourist Development focused on the process to increase the Tourist Development Tax (TDT) to 5-cents to use for capital projects. The process included the completion of an inter-local agreement with the City of Newberry to create a baseball/fast pitch softball complex called Nations Park, a Request for Proposals for capital projects seeking funding, and the restructuring of the Tourist Development Plan.

The completion of the inter-local agreement with the City of Newberry for Nations Park represents a significant change in the sports facility inventory for the County. The funding for this project came from one of the newly added 2% of TDT. The 16-field complex gives Alachua County a competitive edge in the competition for youth baseball and fast-pitch softball events. The fields will feature an artificial turf infield similar to the ones used by Major League Baseball. The artificial turf serves a dual function as it saves in yearly maintenance costs and provides the "it" factor as participants return home telling others of their experiences in Alachua County.

The Request for Proposals for capital projects seeking funding from the remaining 1 % of TDT were brought to the Board for a vote following the Tourist Development Council (TDC) rankings of the projects as:

1. Alachua County Fairgrounds
2. Cade Museum/Martin Luther King Center Expansion
3. Downtown Conference Center

The Board voted to set aside the funds for arenas and auditoriums at the new Alachua County Fairgrounds and for the Cade Museum for Invention and Innovation.