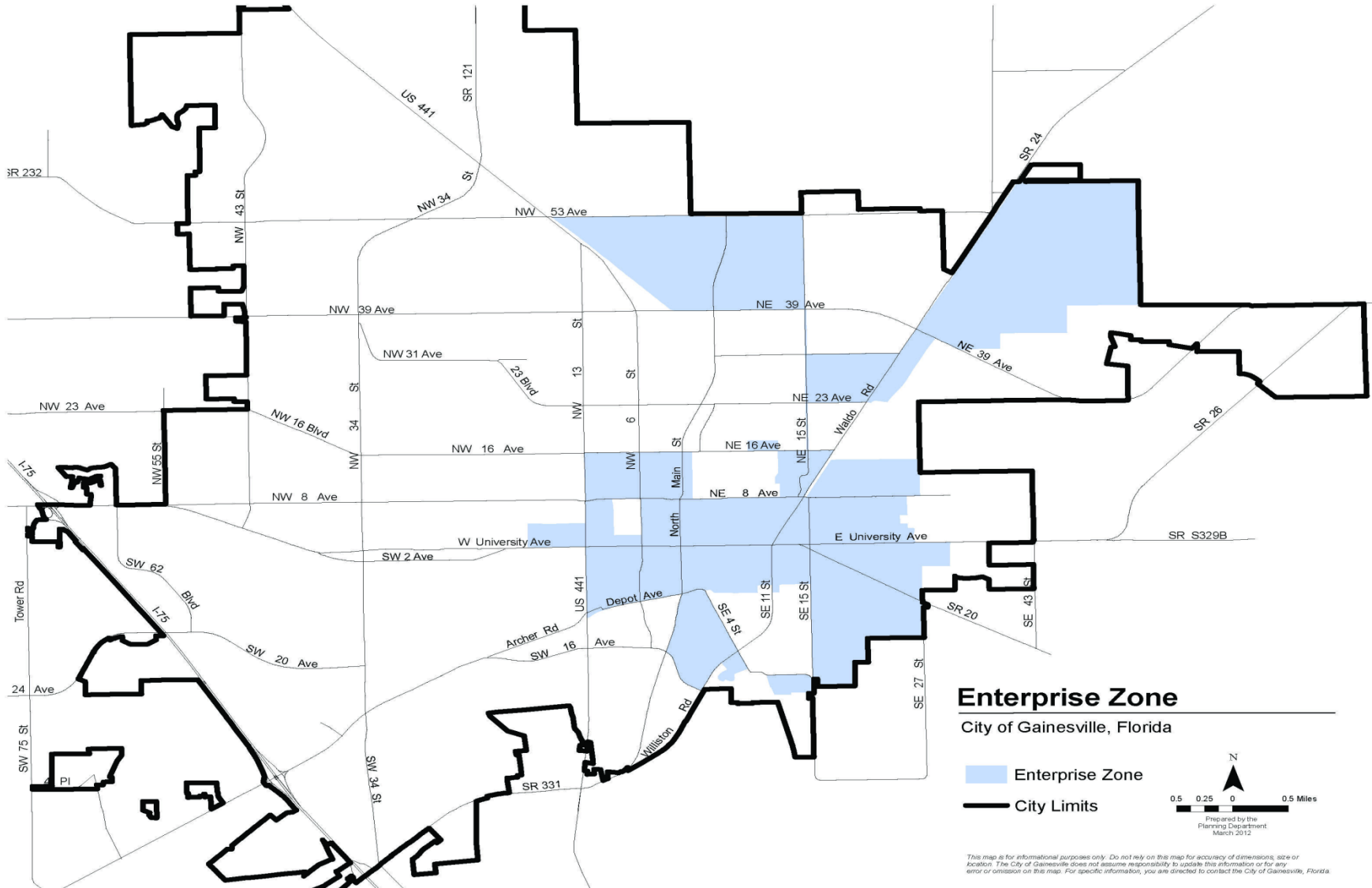


# Status of Gainesville Enterprise Zone Program

Erik A. Bredfeldt  
Strategic Initiatives – EDI  
June 22, 2017

# Background

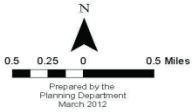
- \* December, 2015, Florida Legislature allows program to sunset
- \* City's EZ incentives sunset except for 50% reduction in development fees for projects in Enterprise Zone
- \* Former City ED Committee recommends retaining current incentive and modifying applicable geography
- \* January, 2017, City Commission directs maintaining referral and bringing back additional information



## Enterprise Zone

City of Gainesville, Florida

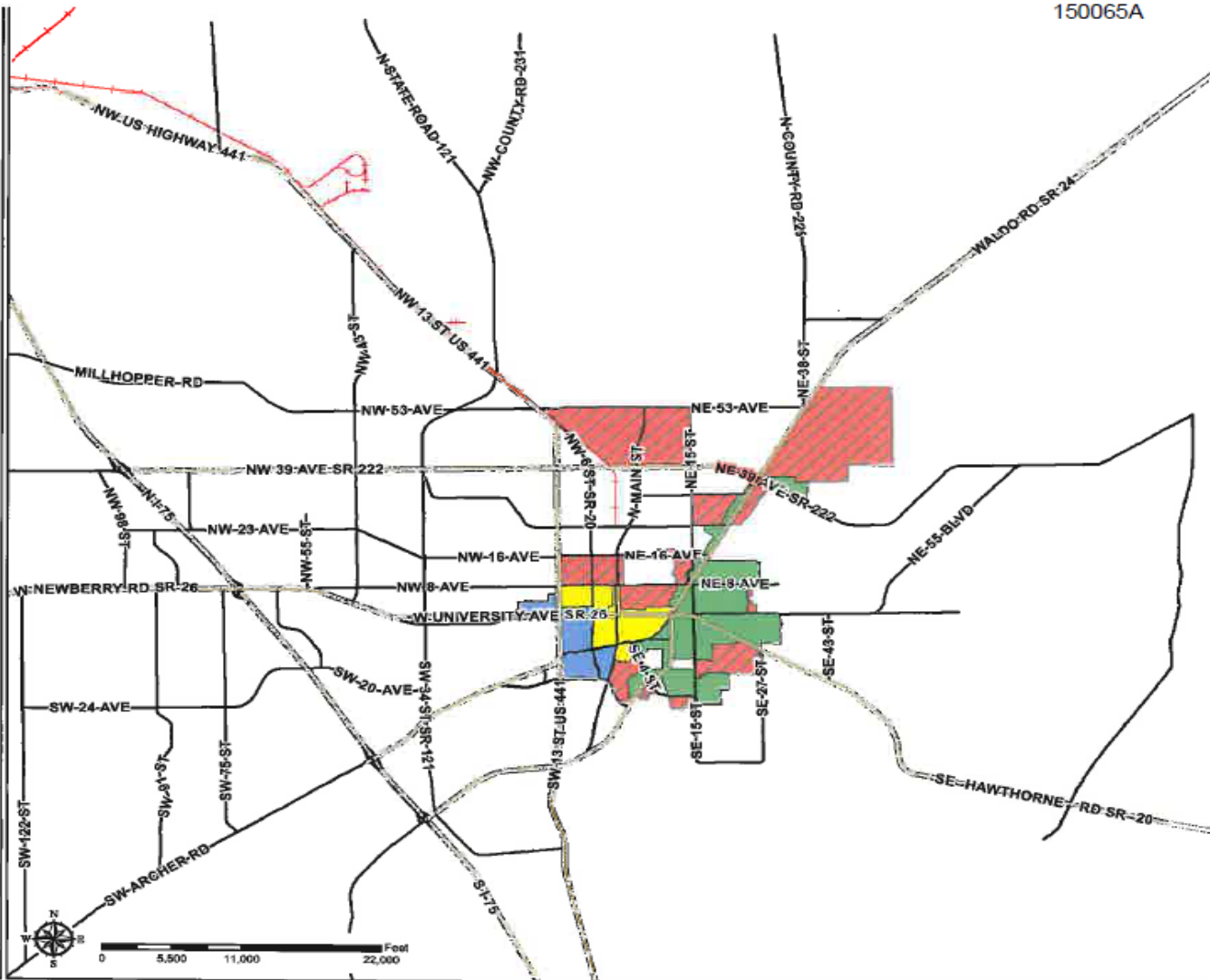
- Enterprise Zone
- City Limits



This map is for informational purposes only. Do not rely on this map for accuracy of dimensions, size or location. The City of Gainesville does not assume responsibility to update this information or for any error or omission on this map. For specific information, you are directed to contact the City of Gainesville, Florida.

### City of Gainesville Community Development

- Legend**
- Railroad
  - Major Highways (P.W.D.)
  - Major Roads (P.W.D.)
- Redevelopment Districts**
- College Park/University Heights
  - Downtown
  - Eastside
  - Fifth Avenue/Pleasant Street
  - Enterprise Zones



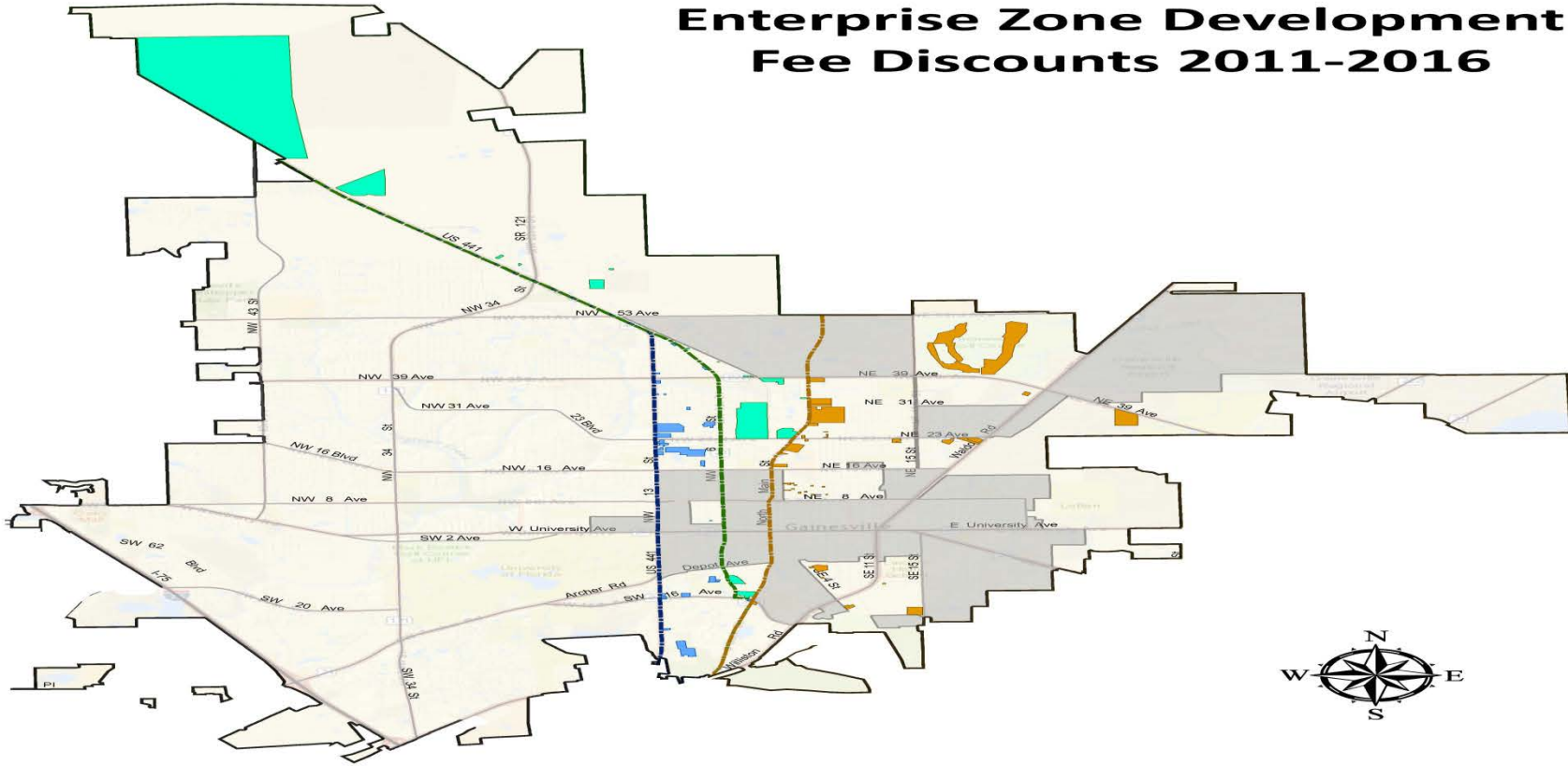
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City of Gainesville  
Dept. of Planning  
and Dev. Services

Date: 10/13/2015

# Enterprise Zone Development Fee Discounts 2011-2016



- East of Main Street Zone
- East of 6th Street Zone
- East of 13th Street Zone
- City Boundary
- East of Main Street
- East of 6th Street & West of Main Street
- East of 13th Street and West of 6th Street
- Enterprise Zone
- Not Currently in the Enterprise Area
- Not Currently in the Enterprise Area
- Not Currently in the Enterprise Area

	As is	Future Scenario
Planning & Development Services 2011-2016	Not in Existing Enterprise Zone	50% Reduction in Revenue Collection
East of 13th Street	\$123,640.64	(61,820.32)
East of 6th Street	\$101,228.38	(50,614.19)
East of Main Street	\$59,749.25	(29,874.63)

## Land Development Fees in the Enterprise Zone FY11-FY16

<u>BFY</u>	<u>Gross Revenue</u>	<u>Total Credits</u>	<u>Net Revenue</u>
2011	\$67,077.52	(\$33,538.39)	\$33,539.13
2012	\$46,961.75	(\$23,480.57)	\$23,481.18
2013	\$57,801.26	(\$28,900.30)	\$28,900.96
2014	\$81,879.26	(\$40,944.34)	\$40,934.92
2015	\$65,541.00	(\$33,961.02)	\$31,579.98
2016	\$87,212.23	(\$43,801.25)	\$43,410.98
<b>TOT</b>	<b>\$406,473.02</b>	<b>(\$204,625.87)</b>	<b>\$201,847.15</b>

# Staff Approach

- \* Look at other communities in Florida
- \* Use design method and meet with EZ Focus Group
- \* Hear from other interested parties based upon their specific circumstances
- \* Point to recent examples of projects in EZ
- \* Raise policy questions, make comments for City Commission to consider in deliberations
- \* Provide deliberative and active recommendation

# Other Communities

- \* Jax USA, Tallahassee, Ocala, Austin, Greenville, Florence, Augusta

## Examples of Incentives are:

- \* CRA package of incentives
- \* Property Tax Abatement
- \* Infrastructure Assistance
- \* Reduction in applicable fees
- \* Facilitative approach to projects



# EZ Focus Group

- \* Two meetings with stakeholders that have pursued development projects in central, E. Gainesville geography

## Recommendations/Comments:

- \* Clarity on mission of EZ program
- \* Proportionality of costs (utility infrastructure and other) can be disincentive for small business
- \* Modify geography
- \* Replicate CRA incentives in EZ; assist with soft costs

# Interested Parties Requests

- \* Double Envelope –considering relocation due to current rate structure (ED and REAL rates)
- \* Si Vance – seeking property tax abatement based upon prospective capital expenditure
- \* Grove Street – Developer interested in assistance to make projects feasible
- \* EZ Focus Group communication

# Recent Examples in Enterprise Zone

- \* Phalanx Defense Systems, LLC – Loan forgiveness (\$535,000) based upon capital improvements and creation/retention of jobs (on jobs, incent based upon wage paid and local hiring)
- \* Working Food Group – Capital improvement (\$75,000) and specific performance agreement deliverables under consideration
- \* GTEC Campus Redevelopment
- \* I – District Infrastructure Improvement Area

# Policy Considerations

- \* What is the mission of the EZ program? What is the best structure and metrics (jobs, cap expenditures, business formation/climate)?
- \* Determine the types of activities to incent (jobs, capital investment) and to whom they are directed (local/small business, exporters, higher wage payers)
- \* Generally, provide incentives that are performance based and potentially have claw back provisions
- \* Consider replicating existing incentives (CRA) in order to build seamlessness in application and a citizen centered approach
- \* Provide appropriate funding for incentives and administration
- \* Expand boundaries and incorporate “Look East” approach
- \* Provide direction on specific entity requests

# Staff Recommendation (Deliberative)

- \* Provide general direction to City staff about mission of the EZ, structure, geography, incentives and metrics
- \* Direct staff to pull team together from GG, GRU and CRA to work on specific package and bring back for Commission consideration within 60 days.

# Staff Recommendation (Active)

- \* Consider retaining existing 50% EZ development fee reduction
- \* Modify EZ geography to properties east of 13<sup>th</sup> Street (US 441) with appropriate exclusions (single family homes, environmentally constrained property) and fold into “Look East” orientation
- \* Generally, replicate CRA incentives in EZ geography emphasizing local orientation
- \* Implement an approach to provision of utilities that provides capital improvement, rate (examine EDI and real rate for modifications) and fee assistance
- \* Provide appropriate funding and make effective in October as part of FY '18 budget

Questions/Comments?