

August 22, 2016 BoCC Quarterly Joint Alachua County City of Gainesville Special Meeting 3PM
 Agenda Item #2

Title

College Park/University Heights CRA Sunset Discussion

Amount

N/A

Description

City of Gainesville College Park/University Heights CRA District Discussion

Recommendation

Request the City of Gainesville consider sunsetting the College Park/University Heights CRA

Alternative(s)

Request the City of Gainesville to consider adoption of a reduced funding scenario for the College Park/University Heights CRA

Requested By

Edgar Campa-Palafox, Economic Development Coordinator, 352-374-5204

Originating Department

County Manager's Office

Attachment(s) Description

Gainesville CRA Annual Report FY2015, College Park/University Heights CRA Map, College Park/University Heights Community Redevelopment Plan, Payments Contributions to Gainesville College Park/University Heights CRA

Documents Requiring Action

N/A

Executive Summary

The College Park/University Heights Community Redevelopment area is located in the center of City of Gainesville, north and east of the University of Florida (see attached map). Combined with the expansion area, the College Park/University Heights Community Redevelopment area now consist of 537 acres of land. The College Park/University Heights Community Redevelopment area is now a rapidly redeveloping area, capturing commercial and residential growth north and east of the University of Florida Campus, and west of Downtown Gainesville. In 1994 and 1995, the redevelopment area was found to be a blighted area appropriate for development. Subsequently, a plan for redevelopment was adopted. In 2005, the City of Gainesville Commission approved an amended College Park/University Heights Community Redevelopment Plan, modifying and extending the redevelopment area. The redevelopment initiatives and work described in the Redevelopment Plan funded through tax increment revenue must occur within 30 years after the fiscal year in which the redevelopment plan was adopted. The base taxable year for the College Park/University Heights Community Redevelopment area is 1994. The base taxable year for the Expansion area is 2005. The expiration year is 2035. The City of Gainesville staff is in the process of preparing several documents that will be available for the August 22, 2016 City/County Joint Meeting. The documents will contain a list of future projects to be accomplished in the district, legal protocol for a potential sunset, and several reduced funding scenarios.

Background

The Gainesville CRA is the official redevelopment body for the City of Gainesville, per Chapter 163 of the Florida Statutes. Funds

for the CRA projects are drawn from tax increment funds, which are collected from each redevelopment area. The Gainesville CRA operates in four community redevelopment districts: Eastside, Fifth Avenue/Pleasant Street, Downtown, and College Park/University Heights. The Gainesville CRA is governed by the CRA Board (composed of the City Gainesville Commission) and is guided by four citizens advisory boards representing each community redevelopment district. The College Park/University Heights Community Redevelopment area Advisory Board is composed of the following citizens: Billy Betz, Russ Ingram, Clay Kallman, Tom Rider, Wells The Losen, David Wilson, Robert Mounts, Phil Heflin, and John Fleming. The Advisory Board meets every month.

Issues

-Authority to initiate a sunset action lies solely with the City of Gainesville Commission. -District's Redevelopment Plan expires until year 2035 (30 years from the 2005 plan adoption). -An early sunset could have impacts to implementation of goals and projects that have been identified in the District's Redevelopment Plan.

Fiscal Recommendation

N/A

Fiscal Alternative(s)

N/A

Funding Sources

General Fund

Account Code(s)

(001-1770-552.83-80)(001-1770-552.83-96)

Attachment: City of Gainesville CRA Audit FY15.pdf

Attachment: CPUH_website_map.pdf

Attachment: CPUH_area_redevelopment_plan.pdf

Attachment: Gainesville CRA FY2015.pdf

Attachment: Contributions to Gainesville CRAs.pdf

**City of Gainesville, Florida
Community Redevelopment Agency**

**Financial Statements and Independent Auditor's
Report**

September 30, 2015



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RIGGS &
INGRAM

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**City of Gainesville, Florida
Community Redevelopment Agency**

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September 30, 2015**

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commissioners
City of Gainesville, Florida

We have audited the accompanying financial statements of the Community Redevelopment Agency (CRA), a blended component unit of the City of Gainesville, Florida (the "City"), which comprise the balance sheet as of September 30, 2015, and the related statement of revenues, expenditures and changes in fund balances for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the City's CRA as of September 30, 2015, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the accompanying financial statements were prepared to facilitate the independent audit requirements contained in Section 163.387(8), Florida Statutes, and are not intended to be a complete presentation of the City's financial activity. Our opinion is not modified with respect to that matter.

Car, Riggs & Ingram, L.L.C.

Gainesville, Florida

March 29, 2016

**City of Gainesville, Florida
Community Redevelopment Agency**

**Balance Sheet
September 30, 2015**

	Community Redevelopment Agency Operating Fund	Downtown Redevelopment Tax Increment Fund	Fifth Avenue Tax Increment Fund	College Park Tax Increment Fund	Eastside Tax Increment Fund	Total
Assets						
Equity in pooled cash	\$ 623,928	\$ 3,168,763	\$ 920,717	\$ 9,565,870	\$ 2,304,766	\$ 16,584,044
Receivables	3,722	13,792	1,390	-	1,500	20,404
Total assets	\$ 627,650	\$ 3,182,555	\$ 922,107	\$ 9,565,870	\$ 2,306,266	\$ 16,604,448
Liabilities, deferred inflows and fund balances						
Liabilities						
Accounts payable and accrued liabilities	\$ 16,875	\$ 196,965	\$ 17,298	\$ 14,551	\$ 1,308	\$ 246,997
Advances from other funds	2,341,675	-	-	-	-	2,341,675
Total liabilities	2,358,550	196,965	17,298	14,551	1,308	2,588,672
Deferred inflows						
Deferred revenue	-	-	1,390	-	-	1,390
Fund balances						
Restricted for:						
Capital project purposes	-	2,985,590	903,419	9,551,319	2,304,958	15,745,286
Unassigned	(1,730,900)	-	-	-	-	(1,730,900)
Total fund balances	(1,730,900)	2,985,590	903,419	9,551,319	2,304,958	14,014,386
Total liabilities, deferred inflows and fund balances	\$ 627,650	\$ 3,182,555	\$ 922,107	\$ 9,565,870	\$ 2,306,266	\$ 16,604,448

City of Gainesville, Florida
Community Redevelopment Agency

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended September 30, 2015

	Community Redevelopment Agency Operating Fund	Downtown Redevelopment Tax Increment Fund	Fifth Avenue Tax Increment Fund	College Park Tax Increment Fund	Eastside Tax Increment Fund	Total
Revenues						
Property taxes	\$ -	\$ 1,281,537	\$ 303,777	\$ 2,120,496	\$ 347,749	\$ 4,053,559
Rental income	-	10,025	17,180	-	20,204	47,409
Gain (loss) on investments	22,804	182,986	46,405	385,112	104,102	741,409
Miscellaneous	8	-	-	-	-	8
Total revenues	22,812	1,474,548	367,362	2,505,608	472,055	4,842,385
Expenditures						
City attorney	63,386	-	-	-	-	63,386
Downtown redevelopment administration	442,813	-	-	-	-	442,813
Fifth avenue administration	193,466	-	-	-	-	193,466
College park administration	472,549	-	-	-	-	472,549
Eastside administration	156,332	-	-	-	-	156,332
Downtown redevelopment projects	-	1,732,993	-	-	-	1,732,993
Fifth avenue projects	-	-	169,173	-	-	169,173
College park projects	-	-	-	325,556	-	325,556
Eastside projects	-	-	-	-	70,214	70,214
Total expenditures	1,328,546	1,732,993	169,173	325,556	70,214	3,626,482
Excess of revenues over (under) expenditures	(1,305,734)	(258,445)	198,189	2,180,052	401,841	1,215,903
Other financing sources (uses)						
Transfers in	1,713,681	656,556	155,631	1,086,371	169,073	3,781,312
Transfers out	(19,157)	(617,430)	(266,127)	(643,450)	(186,674)	(1,732,838)
Total other financing sources (uses)	1,694,524	39,126	(110,496)	442,921	(17,601)	2,048,474
Net change in fund balances	388,790	(219,319)	87,693	2,622,973	384,240	3,264,377
Fund balances, October 1	(2,119,690)	3,204,909	815,726	6,928,346	1,920,718	10,750,009
Fund balances, September 30	\$ (1,730,900)	\$ 2,985,590	\$ 903,419	\$ 9,551,319	\$ 2,304,958	\$ 14,014,386

City of Gainesville, Florida
Community Redevelopment Agency

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A legally separate entity, the Community Redevelopment Agency (CRA) was created by ordinance of the City to carry out community redevelopment within the City of Gainesville under Chapter 163 of the Florida Statutes. The City Commission sits as the board of this organization and approves its budget. The CRA is reported as if it were a part of the City because the City Commission is its governing body and because of the existence of a financial benefit/burden relationship.

Basis of Presentation

The CRA's operating fund and four Tax Increment District project funds are reported as separate nonmajor governmental funds. The accompanying financial statements are special purpose financial statements. They have been prepared to facilitate the requirement for an independent audit of the City's CRA funds and, accordingly, result in an incomplete presentation of the City's financial activity that is otherwise in conformity with generally accepted accounting principles. The accompanying financial statements include only those five funds and do not purport to, and do not, constitute a complete presentation of the City's financial activity.

Measurement Focus/Basis of Accounting

The CRA funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of "available spendable resources" during a period.

The CRA funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Fund Balance

The CRA follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the CRA is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

City of Gainesville, Florida
Community Redevelopment Agency

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The fund balances of the City's CRA funds are classified as *restricted* pursuant to the provisions of GASB Statement No. 54. Fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

The City's policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

NOTE 2 - ADVANCES FROM OTHER FUNDS

The Advance from Other Funds balance resulted from various notes between the City and the CRA, a blended component unit, for various projects within the four CRA districts. A description of each note is listed below:

\$836,900 Commerce Building/AMJ Project, Downtown Promissory Note – 1.05% to 4.28% fixed annual interest rate. In September 1999, a promissory note payable was established from the City to CRA to be repaid from tax increment proceeds associated with the Commerce Building project. In July 2004, the note was amended to specify that repayment will be from all tax increment proceeds from the Downtown Redevelopment Area. The final repayment is scheduled for January 2020.

\$434,955 The Lofts (Old Stringfellow) – 609 West University Avenue, College Park Promissory Note – 1.57% to 4.96% fixed annual interest rate. In April 2001, a promissory note payable was established from the City to CRA to be repaid from tax increment proceeds. In October 2004, the note was amended for the redevelopment of the area known as The Lofts. The final repayment is scheduled for November 2024.

\$650,000 Fifth Avenue/Pleasant Street Projects, Fifth Avenue/Pleasant Street Promissory Note – 6.72% fixed annual interest rate. In April 2002, a promissory note payable was established from the City to CRA to be repaid from tax increment proceeds. The final repayment is scheduled for July 2022.

\$1,400,600 Courthouse Parking Facility Project, Downtown Promissory Note – 6.72% fixed annual interest rate. In April 2002, a promissory note payable was established from the City to CRA to be repaid from tax increment proceeds. The final repayment is scheduled for July 2024.

\$300,000 Eastside District Redevelopment Trust Promissory Note – 4.5% to 6.2% fixed annual interest rate. In May 2005, a promissory note payable was established from the City to CRA to be repaid from tax increment proceeds. The final repayment is scheduled for July 2025.

City of Gainesville, Florida
Community Redevelopment Agency

Notes to Financial Statements

NOTE 2 - ADVANCES FROM OTHER FUNDS (CONTINUED)

\$800,000 College Park / 2nd Avenue Redevelopment Trust, College Park Promissory Note – 4.5% to 6.2% fixed annual interest rate. In May 2005, a promissory note payable was established from the City to CRA to be repaid from tax increment proceeds. The final repayment is scheduled for July 2025.

Following is the repayment schedule of advances from the City's General Fund to the CRA:

Year ending September 30,	Advances from General Fund to CRA		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 246,392	\$ 104,872	\$ 351,264
2017	255,096	94,267	349,363
2018	267,505	83,051	350,556
2019	282,257	70,511	352,768
2020	292,271	57,601	349,872
2021-2025	998,154	122,041	1,120,195
Total	\$ 2,341,675	\$ 532,343	\$ 2,874,018

College Park / University Heights Redevelopment Area

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