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Title: Options for Addressing Issues in the Area of the Stephen Foster Neighborhood (B)

The City Commission is requested to consider options to identify and fund needed capital improvements in the Area of the Stephen Foster Neighborhood. ****ESTIMATED STAFF PRESENTATION 15 MINUTES****

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Attachments: 1. 150584_Project Matrix_20151217.pdf

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Options for Addressing Issues in the Area of the Stephen Foster Neighborhood (B)

The City Commission is requested to consider options to identify and fund needed capital improvements in the Area of the Stephen Foster Neighborhood. **ESTIMATED STAFF PRESENTATION 15 MINUTES**

On August 6, 2015, the City Commission considered creating a new Community Redevelopment Agency (CRA) Area in Northwest Gainesville. Attachment 1 is a map of the area considered. Although the City Commission voted 7-0 to forgo a new CRA Area, the Commission instructed staff to research and develop options to identify and fund needed capital improvements in the area.

Even though a Blight Finding Study indicated that the area met the State’s definition of “blight”, there has been some recent investment, both public and private, in the area. Most of the private sector investments can be placed into one of two categories: 1) environmental remediation and landscaping of residential properties between the Koppers Superfund Site and NW 6th Street; and 2) upgrades to the retail areas along NW 13th Street.

The City has also invested in this area. Attachment 2 is a matrix identifying recently completed (up to 3 to 5 years ago), in progress and planned City projects and initiatives within the area. For the planned projects, the matrix also gives information about the costs and availability of funds for the project.

In terms of identifying and prioritizing needed improvements, once the City has reviewed existing plans and reports, the City should gather information from all stakeholders within the area, including residents, property owners and business owners. There are several techniques such as neighborhood meetings, mailed surveys, in-person surveys and others, that are effective for gathering this information. In order to crosscheck the results, the City should use at least two of the techniques. City departments should then compile the information gathered into a clear implementation plan.

In the past, Staff and the Commission have discussed several funding strategies. The least complicated funding options include simply reprioritizing projects and General Fund spending; or annually “earmarking” a certain amount of money from the General Fund for capital improvements in the area. These options give the City Commission much flexibility in terms of spending decisions.

Options involving special districts and assessments are more complex and generally must be initiated by property owners. These strategies often require a formal election with a majority of the affected property owners approving.

Chapter 170 of the Florida Statutes governs Special Assessments in Florida and limits the levy of Special Assessments to “specially benefitted” real property. In some instances, Chapter 170 requires a vote of the affected property owners. Assessment for some types of projects is limited to “abutting, adjoining, contiguous, or other specially benefitted property.”

Special Assessments for districts (including Business Improvement Districts, which are operated like nonprofit organizations) must meet several criteria. As Chapter 170 states, “Any municipality, subject to the approval of a majority of the affected property owners, may levy and collect special assessments against property benefitted for the purpose of stabilizing and improving: (a) Retail business districts, (b) Wholesale business districts, or (c) Nationally recognized historic districts, or any combination of such districts, through promotion, management, marketing, and other similar services in such districts of the municipality. This subsection does not authorize a municipality to use bond proceeds to fund ongoing operations of these districts.”

Another infrastructure-funding tool is a Community Development District (CDD). This tool is designed to help fund infrastructure needed for new development. For that reason, it would not be appropriate for most of the study area. However, the actual Koppers site will soon be remediated to a level that safely allows new development. The State legislation governing CDD’s (Chapter 190 of the Florida Statutes) is designed to help bring infrastructure to large undeveloped sites, like Koppers, that are owned by one entity.

Essentially, Chapter 190 allows developers who wish to establish CDD’s, to assess themselves, and to borrow against future assessments, to build and maintain certain infrastructure. To ensure the long-term maintenance of the infrastructure, assessments on the property continue even after the property has been subdivided and transferred.

CDD’s can benefit the City in several ways, including: relieving the City of any on-going responsibilities to pay for maintenance of infrastructure owned by CDD, providing landowners with higher levels of public facilities and services managed and financed through self-imposed assessments, and assuming many of the functions traditionally undertaken by Homeowners’ Associations. For new development projects, CDD’s are common in Florida. In unincorporated Alachua County, the proposed Celebration Point Development has formed a CDD.

Potential costs to identify and prioritize projects include postage, envelopes and stationary for mailed meeting notices to all stakeholders, and survey expenses. Staff estimates those cost are \$5,000. Implementation costs depend on the projects identified. No funding sources have been identified.

The City Commission authorize the City Manager or his designee to: 1) utilize existing plans and reports, neighborhood meetings, and surveys to identify and prioritize the infrastructure, beautification and other needs of the area; 2) assign an estimated cost to each project identified; and 3) develop a DRAFT Implementation Plan/Schedule for City Commission Review and Comment.

