



Legislation Text

File #: 170209., **Version:** 1

Double Envelope (NB)

This is a request for the City Commission to provide feedback on a prospective approach in dealing with recent issues raised by Double Envelope (D/E).

General Government and Gainesville Regional Utilities (GRU) staff have recently been approached by D/E about their existing operating challenges particularly as it regards existing commercial utility rates. They have indicated that these rates may result in their relocating their current plant located on NE 39th Avenue outside of the City of Gainesville. D/E currently employs 51 residents living within the City of Gainesville.

On June 22nd, the General Policy Committee heard an agenda item regarding the broader issue of economic development related to the Enterprise Zone and then more particularly, the issues raised by D/E. The Commission directed that the Mayor appoint a task force to include GRU staff, City Manager Office staff, City Attorney staff and Erik Bredfeldt to come up with a tool kit (package for D/E) and report back to the City Commission at the second meeting in July.

Since that time the task force has been appointed and has met to discuss the motion and the following potential components of a prospective toolbox:

- A reduction in commercial rates of 8-10% based upon the proposed purchase of GREC;
- D/E to be included in the Enterprise Zone allowing them to take advantage of newly applied incentives (similar to CRA incentives);
- D/E to be able to take advantage of a reevaluated/modified EDI/Real Rate applicable to for profit entities in the Enterprise Zone that meet certain criteria relative to being: export based; a City resident employer reaching a certain threshold of jobs; providing wage rate at a minimum of 115% of the average annual wage for Alachua County; demonstration of a net positive return on ad valorem based upon facility capital improvements;
- D/E to be able to take advantage of utility infrastructure improvements based upon an Infrastructure Improvement Area pursued for the Enterprise Zone in Northeast Gainesville;
- D/E to be able to take advantage of 50% reduction in applicable development and utility fees related to any future facility capital improvements within the Enterprise Zone;
- D/E to be able to retain services of EDI staff (me) in terms of facilitative assistance regarding any future facility capital improvement.

At this juncture, the toolbox components have not been completely costed out but will be reported out to the City Commission at a later date.

The City Commission direct staff on which proposed components of the toolbox should be pursued further.