



## Legislation Text

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**File #:** 160396., **Version:** 8

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### Reform of Enterprise Zone Program (B)

#### **The City Commission to provide feedback on changes to the existing Enterprise Zone Program.**

Over the past several months, the City Commission, within the General Policy Committee (GPC), has reviewed the status of the Enterprise Zone program and various proposals to reform it in such a way that it is more robust in promoting economic development.

At the September 28<sup>th</sup> GPC meeting the Committee endorsed the following components of the EZ program:

- Retain the existing 50% EZ development fee reduction;
- Modify EZ geography to properties east of 6<sup>th</sup> Street as indicated (add in SW 13<sup>th</sup> Street commercial corridor south of SW 16<sup>th</sup> Avenue);
- Fold program into the “Gainesville East” CRA campaign;
- Generally, replicate CRA incentives in EZ geography emphasizing assistance to existing retained/expanded businesses and include additional assistance for soft costs associated for retained/expanded business;
- Direct appropriate staff to review broad infrastructure needs in various areas of the modified EZ geography and report back to the Commission on identified needs;
- Implement a limited approach to commercial utility rate assistance;
- Provide initial funding depending on the scope of proposed incentives, to be made effective mid-year; and,
- Direct staff to bring the modified EZ map and program back to the City Commission for final approval.

This direction was partly based upon staff’s work with a focus group of business owners and development representatives in two sessions during the months of May/June, 2017 and is designed to make the CRA and Enterprise Zone programs more seamless and thus, citizen centric.

In addition, due to the fact that potential participation in the above program components is unknown, staff is recommending that the program be piloted in order to determine interest and the necessary administrative resources to cover it over time.

In terms of gauging potential performance of the program, the existing 50% reduction in development fees provided in the current EZ geography discounted approximately \$204,000 from FY 11-FY 16; the average commercial façade grant provided in the DRAB, ERAB and FAPS CRA districts in 2017 was approximately \$10,000 with twenty five (25) projects completed totaling approximately \$250,000.

At this time, staff would recommend funding at \$75,000 as a pilot program in order to measure utilization during the currently budgeted period and then report out results for City Commission consideration during the next two year budget cycle.

Currently, there is no funding for this program in the FY 18 budget and therefore the Commission could consider the following funding options:

- FY '17 Fund Balance, if available
- Reallocation of FY '18 ED programs
- Delay implementation until consideration of FY 19 budget

The City Commission: 1) hear a brief presentation from staff; and 2) direct the City Manager to allocate \$75,000 towards implementation of the pilot program with funding source to be determined by the City Commission.