



Legislation Text

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Use of UDAG Funds for Depot Park Recreation Development (B)

This item is a request from the East Gainesville SPROUT Project Task Force to use the City's Urban Development Action Grant proceeds to fund recreation amenities at the proposed Depot Park project. The City receives annual payments for funds that were borrowed against the grant and these proceeds could be a funding source for the amenities.

At its August 25, 2005 meeting, the East Gainesville SPROUT Project Task Force requested that staff prepare a request for Urban Development Action Grant (UDAG) funds to the City Commission. The use of the funds would be for planning and constructing recreation elements at the park.

Eligible Uses of UDAG Funds: The July 1989 grant closeout agreement between the City of Gainesville and the U.S. Department of Housing and Urban Development states that any income (i.e. the loan repayments) received after the completion of the original project completion shall be used only for "activities eligible under Title I of the Housing and Community Development Act of 1974, as amended". Title I is the legislation that authorizes the Community Development Block Grant (CDBG) program. Any use of the UDAG repayments must be for an activity that is eligible under the CDBG program. UDAG funding must aid low to moderate income citizens, assist in the reduction of slum and blight conditions, or address an urgent need, such as a disaster. Public parks and recreation facilities are eligible uses of UDAG funding under the CDBG program. The facilities proposed for Depot Park that are eligible are rail trails, sidewalks, plazas, landscaping, park entrances, fountains, and a children's play area.

Specific Uses of the UDAG Funds at Depot Park: Beginning in 2006, architectural and engineering design services are needed to develop design and technical standards for the park, produce more detailed plans for the park overall (but not construction documents), and produce construction drawings and specifications suitable for bidding for the Depot Park Rail Trail. The estimated cost for these services could reach \$150,000. Beginning in 2008, the funds could be used for constructing the Depot Park Rail Trail including benches, landscaping and other amenities at an estimated cost between \$600,000 to \$700,000.

Park Development Schedule: The remediation and stormwater construction is projected to be concluded by early 2008. The recreation elements could then proceed from that point onward. To meet this schedule, the design services explained above for the recreation elements need to begin in 2006.

The projected cumulative total of new UDAG proceeds to be received from 2006 until the end of 2013 is approximately \$1,253,600 (\$156,700 each year for eight years). In addition, the CRA will repay \$300,000 used for streetscaping in the Fifth Avenue Pleasant Street redevelopment district beginning in 10 years. The only funding currently identified for recreation features at Depot Park is a HUD EDI grant in the amount of \$148,800. If the entire UDAG revenue stream (including the CRA repayments) is used for the park as the Task Force requested, the amount allocated would be approximately \$1,553,600.

The Finance Department is looking into whether the UDAG funds could be used for general bonding purposes.

The City Commission adopt the recommendation of the East Gainesville SPROUT Task Force to allocate the remaining UDAG revenue including proceeds ending in 2013 and the CRA repayments beginning in 10 years for Depot Park recreation facilities.

Alternative Recommendation A: The City Commission allocate UDAG funding to Depot Park in the amount of \$125,000 to cover the estimated funding gap for park design services needed in 2006. The HUD EDI funds, up to \$29,760, can be used to match the UDAG funds to cover the anticipated design fees.

Alternative Recommendation B: The City Commission allocate no UDAG funding to Depot Park and send the recommendation of the East Gainesville SPROUT Task Force to the Capital Improvements Committee for consideration and to consider bonding the UDAG revenue stream.

Alternative Recommendation C: The City Commission allocate no UDAG funding to Depot Park at this time and take no other

action.