



Legislation Text

File #: 170580., **Version:** 2

An ordinance related to economic development that repeals the existing Gainesville Enterprise Zone Development Agency and repeals the Retained, Expanded, or Attracted Load Service Rider and creates a new Gainesville Enterprise Zone Area and Enterprise Zone Program (B)

Ordinance No. 170580

An Ordinance of the City of Gainesville, Florida, related to Economic Development; repealing the existing Chapter 2, Article V, Division 4 titled "Gainesville Enterprise Zone Development Agency"; amending Section 27-21 by repealing the definition of "Retained, expanded or attracted load service rider"; amending Appendix A - Schedule of Fees, Rates and Charges by repealing UTILITIES, (1) Electricity, subsection k. titled "Retained, Expanded or Attracted Load Service Rider"; by creating a new Chapter 3 titled "Economic Development" to include a new Article I. Enterprise Zone with new Sec. 3-1. Gainesville Enterprise Zone Area and Sec. 3-2. Enterprise Zone Programs, including the Manufacturing Retention/Expansion Incentive Program for Electric Service; providing directions to the codifier, providing a severability clause, providing a repealing clause, and providing an immediate effective date.

The City Commission: 1) determine whether to fund the program immediately from FY '17 Fund Balance or reallocation of other Economic Development project funds, or whether to delay implementation of the program until consideration of the FY '19 budget; and 2) if a decision is made to fund the program immediately, adopt the proposed ordinance.

The City was approached by Double Envelope about their existing commercial utility rates with Gainesville Regional Utilities (GRU). Double Envelope has stated that the high utility rates are forcing them to consider relocating their manufacturing plant located on 39th Avenue to outside of the GRU service territory.

At its meeting on June 22, 2017, the General Policy Committee discussed the issues raised by Double Envelope and directed staff to put together a potential "toolkit" that might assist Double Envelope.

Staff presented alternatives to the General Policy Committee, at its meetings on August 24, 2017 and September 28, 2017, including proposed changes to the existing Retained Expanded or Attracted Load Service rate program currently in the Code of Ordinances. At its meeting on November 2, 2017, the City Commission directed the City Attorney's office to draft an ordinance creating a new economic development incentive program for manufacturing businesses within the new Enterprise Zone Area.

The fiscal impact of the proposed incentive program is estimated to be \$180,000 - \$250,000 annually, depending on how many eligible businesses apply. There is no funding source for the program in the City's current budget. The City Commission will need to determine whether it desires to fund the program immediately from FY '17 Fund Balance or reallocation of other Economic Development project funds, or whether it desires to delay implementation until consideration of the FY '19 budget.