
GCRA Proposal to Implement the Downtown Gainesville Strategic Plan

Agenda Date: January 22, 2024
Department: Gainesville Community Reinvestment Area

Description: Staff to provide an update on the Downtown Gainesville Strategic Plan and recommendations that will support the plan through FY 2029.

Fiscal Note: The recommended budget adjustments do not surpass the current estimated revenue sources for the GCRA.

Explanation:

The City Commission adopted the “Downtown Gainesville Strategic Plan,” in October 2022, with recommended budget modifications that will allow the work to proceed. (See Attachment 1 for a more detailed overview demonstrating Downtown’s needs and available funding.)

Since GCRA’s establishment in October 2019 by the Gainesville City Commission and the Board of Alachua County Commissioners, the GCRA has been working to implement its “10-year Reinvestment Plan” (“GCRA Plan”), which was approved in winter 2020. The GCRA incorporated into its Plan a number of transformational economic development and neighborhood projects that have received substantial funding through the GCRA budget, including NE 8th Avenue and Waldo Road, Cornerstone and the Eastside Health and Economic Development Initiative, and the Fifth Avenue/Pleasant Street Historic Heritage Trail.

The GCRA Plan also called for creating a “Downtown Master Plan” (later renamed “Downtown Strategic Plan”). GCRA funding was used to hire the consultant who developed the plan between June 2021 and August 2022. The City Commission adopted the “Downtown Gainesville Strategic Plan” (“Downtown Plan”) in October 2022. The Downtown Plan subsequently received a “Downtown Achievement Award of Excellence” in the summer of 2023 from the International Development Association for Planning, Design, and Infrastructure (see Exhibit 3 to read the Downtown Plan).

The vision of the Downtown Plan is expressed through the following goals.

- ***Become a Destination*** by building investments around local strengths; shaping downtown identity and creating a downtown jewel
- ***Connect the Dots*** by balancing the automobile with the pedestrian; bringing streets up to city standards; activating the Sweetwater corridor and creating a greenway loop
- ***Strengthen the Relationship with Adjacent Neighborhoods*** by connecting neighborhoods to downtown and establishing transition areas

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- **Increase Housing Opportunities** by addressing housing opportunities at scale; supporting affordable mixed-use housing; and facilitating market-rate housing
- **Create a Supportive Local Business Environment** by unlocking real estate potential and increasing direct small business assistance
- **Maintain and Enhance Downtown** by forming a place-based management organization and continuing to build capacity.

Implementing the Downtown Plan supports the City's strategic priorities through the following principles identified in the "Gainesville Vision 2035"

1. Equitable Community for All
2. Sustainable Community for the Future
4. Great Place for Neighbors to Live and Thrive
5. Meaningful Experiences for Everyone
6. Alive/Vibrant Downtown
7. Strong/Resilient Local Economy – Medical/Education/Innovators and Entrepreneurs
8. Mobility for All Neighbors

Providing resources to fund the Downtown Plan furthers seven of the eight strategic principles of Vision 2035. Exhibit 1 details the goals for each principle and identifies those that the Downtown Plan meets. Of the 69 goals among these principles, Downtown Plan implementation furthers 46 of them.

The Downtown Plan is one of the key transformational projects in the GCRA Plan, which stresses that

"a (downtown) plan is necessary to have a coherent vision of desired investments, improvements and enhancements to the quality of life for the community...and the vision developed will affect continuing investment and fulfillment of the GCRA's objectives" (page 98).

With the Downtown Plan now in place, the next steps for the GCRA to take are to "develop a scope, identify partners, develop a budget and to ensure the GCRA programs work in conjunction with the plan" (page 98). The Downtown Plan pointed out several projects in its Implementation Matrix to kick-start the effort. These include the following projects

Develop a coordinated marketing and branding campaign	< \$115,000
Make Sweetwater Park a signature public green space	\$4,000,000
Prepare Conceptual Design and Feasibility Study to attract funding, implementation, and programming partners for Sweetwater	< \$215,000
Activate the Sweetwater Corridor	\$330,000
Neighborhood Connectivity improvements for S 2 nd Ave/4 th Ave	\$1.2 million

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These “kick start” projects cost over \$5.6 million but do not include The Streatery on SW 1st Avenue between S Main Street and SW 2nd Street for which the city has implemented an initial phase. However, substantial infrastructure upgrades are needed for the project to be fully realized. This project has a conservative estimate of \$2.3 million provided by the city’s Public Works Department.

In addition to identifying placemaking and physical improvements, one of the major goals of the Downtown Plan is to immediately form a “place management organization” to “protect and enhance core assets and address key livability/business viability issues (maintenance/cleanliness, safety, etc.).” These types of organizations are often funded through a special taxing district that allows them to fund clean and safe services, marketing and branding efforts, streetscapes, place-making, event programming, and more. These organizations are often known as Business Improvement Districts (BIDs), which the City Commission and City Manager have called for establishing since the Downtown Plan was adopted. (Note: the City has executed a contract with MKSK to research, conduct public engagement, and prepare documents necessary to establish a BID for both Downtown and the Innovation District.)

Establishing a Downtown Management Organization is essential to providing direction for public investments and a platform for engagement with property and business owners, stakeholders, and the citizenry. In the past, Downtown interests were represented through a redevelopment advisory board that was associated with the Downtown Community Redevelopment Area (CRA). With the dissolution of the Downtown CRA along with three other community redevelopment areas in 2019 and their consolidation into the Gainesville Community Reinvestment Area, the downtown advisory board was replaced by the GCRA Board, whose interest is GCRA-wide. Consequently, a new board will need to be set up to help guide the investments the City will make and determine the best organizational and fiscal structure for Downtown prior to a BID being established. To support this new organization, City Management is recommending that GCRA funding and staffing resources be used not only for capital improvements but also for operational services to support its activities. Management believes the City of Gainesville must demonstrate its commitment to Downtown by focusing on funding and staffing resources.

Funding the vision identified in the Downtown Plan, including the establishment of a BID, will require significant reallocation of GCRA resources. Currently, the GCRA budget has approximately \$712,000 in unencumbered/unallocated funding available to fund the Downtown Plan projects and The Streatery, which will not meet the need. Moreover, there are concerns in the community and City Hall about the impact of houselessness and security on Downtown’s economy that would further burden the available revenue. Table 1 below details the City’s current and potential obligations versus available funding in Downtown.

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Table 1. Draft Pro Forma for Potential Downtown Projects in 2024

	Total	Downtown TIF	CPUH TIF	Interlocal
Sources	\$994,332	\$589,462	\$42,080	\$362,790
GCRA Downtown-Specific Funding				
Power District Amendment	\$700,000	\$350,000		\$350,000
The Palms - 230 SW 2nd Ave	\$18,743	\$18,743		
Jefferson on 2nd - 505 SW 2nd Ave	\$220,719	\$220,719		
Downtown Strategic Plan	\$12,790			\$12,790
College Park University Heights TIF	\$42,080		\$42,080	
Uses (Potential Commitments)	\$3,547,818	\$589,462	\$42,080	\$2,916,276
MKSK Bid Analysis - Downtown	\$84,160		\$42,080	\$42,080
PSHD Mosaic	\$18,000			\$18,000
The Palms - 230 SW 2nd Ave	\$28,321	\$28,321		
Jefferson on 2nd - 505 SW 2nd Ave	\$143,392	\$143,392		
Consulting Design (Festival St./ Sweetwater Park)	\$291,345	\$125,000		\$166,345
Sweetwater Park Construction	\$200,000			\$200,000
ACE District Signs and Wayfinding	\$30,000			\$30,000
Houseless Outreach	\$125,000			\$125,000
Security/Ambassadors	\$327,600			\$327,600
Stretery/NW 1 st Ave/St Drainage	\$2,300,000	\$292,749		\$2,007,251
Balance	(\$2,553,486)	\$0	\$0	(\$2,553,486)

Downtown Funding Proposal

The proposed GCRA budget amendments to support the Downtown Plan implementation will move FY 2023 rollover funds, FY 2024 funds, and projected FY 2025-2029 annual allocations for several programs to the Downtown Plan and Innovation District, both transformational projects identified in the GCRA Plan. (**Note:** the Innovation District is included in the analysis to expand the footprint for the possible creation of a Business Improvement District. Most funding for the Innovation District would come from College Park/University Heights tax increment financing, which is statutorily limited for use in this area.) The amendments would yield an estimated \$12.23 million in funding through FY 2029, the last year of the current GCRA Interlocal Agreement. This funding amount is equivalent to the total planned allocations for NE 8th Avenue and Waldo Road (\$14.1 million) and Cornerstone/EHEDI (\$13.4 million) and is commensurate to the important role played by Downtown and Innovation District in Gainesville's economy.

Funding for Potential Downtown Capital Projects

The reallocated GCRA funding could be used for new capital projects identified in the Downtown Plan or would implement its objectives, such as improvements to

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Sweetwater and Lynch parks, completion of the Festival Street along the South 1st Avenue corridor, intersection improvements, and sidewalk work. Additional capital projects could potentially include constructing transit stations on SW 2nd Avenue and SW 4th Avenue and funding permanent art installations throughout Downtown and the Innovation District. Table 2 below identifies the potential revenue available and costs associated with each of the above-described projects.

Table 2. Potential Downtown Capital Improvement Projects (FY 2025-29)

	Total	CPUH	Interlocal
GCRA Rollover Funding Sources	\$6,006,447	\$2,800,000	\$3,206,447
Potential Downtown Improvements	\$10,760,000	\$2,800,000	\$7,960,000
Downtown Jewel (Sweetwater Park)			
Matheson Park	\$680,000		\$680,000
Western Gateway (Federal Building)	\$1,090,000		\$1,090,000
Loftin/Tomkies Park	\$720,000		\$720,000
SE 2nd Ave to 4th Ave	\$1,470,000		\$1,470,000
Safe Streets for All Match (W. University Avenue)	\$1,400,000	\$1,400,000	
Lynch Park	\$2,000,000		\$2,000,000
Transit Stations on SW 2nd and 4th Ave	\$900,000	\$600,000	\$300,000
S 4th Ave Intersection Imps. (12th, 10th, 3rd)	\$1,200,000	\$800,000	\$400,000
S 2nd Ave Intersection Imps. (3rd, Main)	\$800,000		\$800,000
Art Installations	\$500,000		\$500,000
Balance	-\$4,753,553	\$0	-\$4,753,553

Funding for Potential Downtown Annual Operating Costs

In addition, a significant part of the \$12.23 million gained from the proposed GCRA budget amendments could fund annual operating expenditures that mirror those that might be incurred by a Business Improvement District (BID) if one is approved by property owners. City Administration expects that the City would need to fund some of these expenses, both to demonstrate its commitment to investing in Downtown to support the BID as well as addressing immediately pressing issues such as security and homelessness. The additional proposed services include ambassadors, cleanup crews, marketing and promotion, new events, promotional activities, transit operations, small business development support, and business incentives. These are all recommended actions from the Downtown Plan.

The total revenue available between FY 2025 and FY 2029 is approximately \$6.2 million. The illustrative operating pro forma in Exhibit 2, which details a suite of programs that could be implemented downtown, calculates more than \$18.5 million in operating costs that could potentially be incurred if all of the programs are rolled out. Under the model in Exhibit 2, over \$9 million in costs are attributable to security, cleanup, and homeless services; \$4.6 million in promotion and support (including the management organization); and \$4.96 million in business development (i.e., incentives).

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The table below depicts potential operational costs for a single year that would reflect the above described services. (Note: Some costs such as “Downtown Management Organization Support” and “Transit Operations” will not be incurred until a BID is established and a Downtown/UF Connector is implemented while “Garage Security” and “Cleanup Crews” are currently being funded through other sources.)

Table 3. Illustrative One-Year Operating Pro Forma for Downtown

	Total	CPUH	Interlocal
GCRA Annual Program Allocation	\$1,237,796	\$211,584	\$1,026,212
Potential Downtown Operating Costs	\$3,579,503	\$211,584	\$3,367,919
Houseless Services	\$250,000		\$250,000
Security/Ambassadors			
Garage Security	\$125,000		\$125,000
Downtown Security	\$436,800		\$436,800
Innovation District Security	\$218,400		\$218,400
Cleanup Crews			
Current - Weekend outside Vendor	\$289,000		\$289,000
Current - Public Works	\$401,719		\$401,719
SW 2nd Ave (SW 6th St to SW 13th St)	\$6,000		\$6,000
SW 4th Ave (SW 6th St to SW 13th St)	\$6,000		\$6,000
Marketing/Promotion	\$115,000		\$115,000
New Events	\$100,000		\$100,000
Downtown Management Organization Support	\$125,000		\$125,000
Transit Operations	\$470,000		\$470,000
SS4All - MOT	\$75,000		\$75,000
Business Improvement Grant	\$355,792	\$105,792	\$250,000
Development Incentive	\$605,792	\$105,792	\$500,000
Balance	(\$2,341,707)	\$0	(\$2,341,707)
Security/Cleanup/Houseless	\$1,732,919	\$0	\$1,732,919
Promotion and Support	\$885,000	\$0	\$885,000
Business Development	\$961,584	\$211,584	\$750,000

Disclaimer: Please note that the above projects, programs, and costs have been provided to estimate the potential revenue needed to implement the Downtown Plan. While the estimated costs for the programs and projects are factually based and represent the typical investments made by BIDs, the actual type of programs and projects will be based on recommendations after engagement with property owners, business owners, and stakeholders.

Impact on Funding for Certain GCRA Programs

The following programs will be impacted by the amendments: Neighborhood Paint Program, My Neighborhood Grant Program, Heirs Property Assistance Program, Residential Property Improvement Grant Program (Historic Home Stabilization & Home Energy and Water Efficiency), Commercial Corridor Streetscape Programs, Property Acquisition, Business Improvement Grant Program, and the College Park/University

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Heights Tax Increment Financing fund. Approximately \$7.7 million, or 63 percent of the \$12.23 million will be drawn from non-housing programs of the GCRA. The remaining \$4.5 million in funding will be drawn from the four housing programs identified above. It is important to note that none of the impacted housing programs provides additional housing supply to meet Gainesville's affordable housing needs. In addition, the FY 2024 approved funding will remain intact for the following programs:

Neighborhood Paint Program	\$192,000
My Neighborhood Grant Program	\$260,000
Heirs Property Assistance Program	\$150,000

The table below indicates the amount of funding that will be reallocated from each of the affected programs to help fund the implementation of the Downtown Strategic Plan.

Table 4. Potential Sources of Funding to Implement Downtown Strategic Plan

Program	FY24 & Prior Year Rollover	FY25-29 Allocations	Totals
Neighborhood Paint		\$850,762	\$850,762
My Neighborhood Grant		\$850,762	\$850,762
Heirs Property Assistance		\$664,558	\$664,558
Heirs Property Assistance Rollover	\$121,802		\$121,802
My Neighborhood Rollover	\$249,756		\$249,756
Residential Improvement	\$287,811	\$510,524	\$798,335
Pleasant Street Infill Housing Savings	\$487,583	\$500,000	\$987,583
Commercial Corridor Streetscape	\$1,217,000		\$1,217,000
Property Acquisition Program	\$269,045	\$800,000	\$1,069,045
Business Improvement Grant	\$573,450	\$954,452	\$1,527,902
College Park/University Heights TIF	\$1,442,080	\$2,457,920	\$3,900,000
Total	\$4,648,527	\$7,588,978	\$12,237,505

Strategic Connection:

- ☒ Goal 1: Equitable Community
- ☒ Goal 2: More Sustainable Community
- ☒ Goal 3: A Great Place to Live and Experience
- ☒ Goal 4: Resilient Local Economy
- ☒ Goal 5: "Best in Class" Neighbor Services

Recommendation: Staff to provide an update on the Downtown Gainesville Strategic Plan and recommendations that will support the plan through FY 2029.