



Legislation Text

File #: 19-0753, **Version:** 1

Agenda Item Name:

Springhills District (PREIT Project) Transportation Improvement Agreement between and Alachua County and Linz, Inc

Presenter:

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Description:

An agreement between Linz, Inc. and Alachua County related to transportation improvements associated with the Springhills Transit Oriented Development. The agreement details the funding and financing of offsite transportation and transit service and site related operational and safety roadway improvements.

Recommended Action:

Approve the Springhills District (PREIT Project) Transportation Improvement Agreement and authorize the Chair to sign the Agreement.

Prior Board Motions:

October 28, 2014: Commissioner Hutchinson moved to adopt the ordinance creating the Springhills Transportation Improvement District and authorizing the appropriation of lawfully available non-ad valorem revenues to fund obligations under the agreement between Alachua County and Santa Fe Village and the anticipated agreement between Alachua County and PREIT including change.

Motion carried 4-1 with Commissioner Baird voting "Nay"

Fiscal Consideration:

This agreement will require allocation of future non-ad valorem revenues based upon a calculation of the percentage increase in new general ad valorem revenues within the PREIT Increment Area as defined in the Springhills Transportation Improvement District Ordinance. The percentage shall be 30% between 2020 and 2042. The covenant to budget non-ad valorem revenues could reduce the County's debt capacity in future years.

Background:

This proposed Agreement between Linz, Inc. and Alachua County would provide for the construction of public infrastructure and the provision of public transit service in accordance with the Preliminary Development Plan and Comprehensive Plan requirements for the Springhills Transit Oriented Development (TOD). Linz has recently purchased the Springhills TOD properties from the Pennsylvania Real Estate Investment Trust (PREIT). Staff utilized the existing Southwest Transportation Improvement District Agreement with Celebration Pointe TOD and the Transportation Improvement Agreement with Santa Fe Village TOD as models for the development of this

agreement with Linz. The transportation projects that are the responsibility of the developer are consistent with the approval of the Preliminary Development Plan and the Capital Improvements Element. The County's primary commitment in the agreement is to allocate lawfully available non-ad valorem revenues equal to a calculation of percentages of general fund tax increment derived from the PREIT Increment Area as established in the Springhills Transportation Improvement District Ordinance. The percentages established in the agreement are 30% between FY 2020 and FY 2042. These will be used to reimburse the Developer for any creditable transportation project expenditures that are above and beyond the Developer's Multi-Modal Transportation Mitigation (MMTM)/Mobility Fee obligations. A secondary commitment by the County is to provide transit services to the district area with funds made available by the Developer and through the Transportation Improvement District.

On September 23, 2014 The Board of County Commissioners (BOCC) approved the Preliminary Development Plan for the Springhills Transit Oriented Development with conditions. Condition #1 of the approval stated: "Prior to approval of a Final Development Plan, the applicant shall enter into a Developer's Agreement with the Board of County Commissioners that addresses the requirements of Comprehensive Plan Policy 2.2.1(e)(2)c." In keeping with this condition and the requirements of Comprehensive Plan Transportation Mobility Element Policy 1.1.10.3 and ULDC Section 407.65(e), staff has negotiated this agreement with Linz to determine the timing of transportation infrastructure construction, transit service provision, the applicability of the Multi-Modal Transportation Mitigation (MMTM) Program and reimbursement process for expenses incurred beyond the Developer's MMTM responsibility through the Springhills Transportation Improvement District.

The BOCC previously entered into an agreement with Santa Fe Healthcare, LLC. with similar requirements and reimbursement potential from non-ad valorem sources on October 24, 2014 utilizing the Springhills Transportation Improvement District. The primary difference between the proposed agreement and the agreements with Santa Fe Village and Celebration Pointe is that the proposed Springhills agreement allows for 30% of the tax increment calculation for the entire 22 years of the agreement as opposed to a decrease to 25% for the final 11 years as was provided for in the previous two Transportation Improvement Agreements. The primary rationale for this change is for the County to insure within the limitations set forth in the agreement that the developer would not ultimately be responsible for more than their MMTM/Mobility Fee responsibility over the term of the agreement. The proposed agreement also provides for 80% of the tax increment to go towards capital needs and 20% towards transit operating. Past Transportation Improvement Agreements included a 75% to 25% Capital to Transit Operating ratio. The proposed agreement follows many of the same requirements, processes and responsibilities that were present in the Transportation Improvement agreement the County entered into with Santa Fe Village. There are some revisions in structure proposed by the developer. Staff is comfortable recommending the agreement to the County Commission as being consistent with the Comprehensive Plan and Preliminary Development Plan requirements of the Springhills TOD developer.

The proposed agreement guarantees the timing of the construction of several transportation projects by the Developer. These projects include the NW 46th Boulevard Eastern and Western Extension Projects, NW 91st Street Northern Extension, Operational and Safety Projects and the Park and Ride Project. The NW 46th Boulevard Western extension will include a new overpass over I-75 that provide additional route for local trips outside of the NW 39th Ave/I-75 interchange. Additionally the agreement establishes the timing and provision of transit funding to be provided by the Developer and funding for multimodal improvements for the NW 91st Street Southern

Reconstruction Project. The County agrees to utilize the available funding from the Santa Fe Village and Springhills projects to provide transit service from the NW area to the University of Florida. The agreement also allows the County to utilize up to 25% of the funding in the Transit Operating Account established in the agreement to extend transit service to downtown Gainesville and the Eastside Activity Center.

The tax increment will be calculated in the PREIT Increment Area as detailed in the Springhills Transportation Improvement District Ordinance. The general fund tax increment calculation rates in the agreement are 30% between 2020 and 2042 to fund a portion of the multi-modal transportation improvements financed and constructed by the Developer which serve the District. Depending on the pace and ultimate scale of the development, these percentages from the PREIT Increment Area have the potential to generate an estimated maximum of \$31.4 million dollars over the 22 year life of the County's covenant to budget. This funding provides the Developer reasonable assurance of eventual reimbursement of creditable expenses that are above and beyond its MMTM responsibility.