

Agenda Memorandum

To: Honorable Mayor and City Council Members
From: Bryan Cobb, City Manager
Date: May 3, 2021
Subject: **Resolution No. 4066-21**, Intergovernmental/Interagency Agreement with the Oviedo Community Redevelopment Agency – Urban3 Phase 2 Analysis

Procedure: Consent Agenda

Introduction: This is a request for the City Council to approve an Intergovernmental/Interagency Agreement with the City of Oviedo Community Redevelopment Agency (CRA). The Agreement facilitates the preparation of Phase 2 of the economic impact analysis, which analyzes the costs associated with the City's infrastructure and its relation to land use and development patterns, as well as, the projected impact of future land use decisions as part of the 2045 Comprehensive Plan update.

Discussion: At its April 4, 2016, meeting, the City Council adopted Resolution No. 3172-16, approving an Intergovernmental/Interagency Agreement with the CRA to explicitly acknowledge the independence and interdependence of the two, separate organizations (the CRA and the City) and the clear identification of shared activities, collaborative projects and resources. The Interlocal/Interagency Agreement was approved by the CRA Governing Board at its April 4, 2016, meeting with the adoption of Resolution No. 101-16. A copy of the Interlocal/Interagency Agreement is provided as Attachment 1.

The Intergovernmental/Interagency Agreement achieved the following:

- Acknowledged the independence and interdependence of the City Council and the CRA Governing Board;
- Recognized the potential for cooperative sharing of City resources and staff for the operations of the CRA;
- Recognized the potential sharing of City procurement services, master agreements and contracts; and
- Acknowledged that the City and the CRA will collaborate on projects in the future as part of the CRA's operation and implementation of the Community Redevelopment Plan.

At its January 4, 2021 meeting, City Council approved Resolution No. 4020-21, approving an Intergovernmental/Interagency Agreement between the City and the CRA for the preparation Phase 1 of the economic analysis and associated work with Urban3. A copy of this Intergovernmental/Interagency agreement is provided in Attachment 2. Urban3 is a consulting firm specializing in land value economics, property tax analysis and community design. Their approach bridges the gap between economic analysis, public policy and urban design. Their

work will empower the City with the ability to promote development patterns that both secure its fiscal condition and create a strong sense of place. Urban 3 was tasked with the following:

- Provide citizens with an understanding of the financial impact of varying development types on their City's current and future budgets as they provide input in any planning process;
- Ensure that elected officials have a data-driven understanding of the City's economic development landscape, enabling them to make informed decisions about future development and policy;
- Provide policy recommendations for creating a more fiscally sustainable approach to future development;
- Develop a 3D model of the City's property and sales tax revenues, that can be updated on an annual basis; and
- Ensure the City understands its role in the economy of the broader County, enabling advocacy efforts regionally.

Urban3 Representatives presented the findings from their Phase 1 analysis and an overview of the proposed Phase 2 analysis at the April 26, 2021 CRA Governing Board Meeting. This was the first of several presentations Urban3 will provide to the City. Urban3's Phase 1 analysis resulted in the following findings:

- Oviedo on the Park is the most fiscally productive area in the city from a property tax perspective.
- Current Multi-Family housing brings in more than double the tax revenue per acre than commercial and single-family detached homes.
- Mixed-Use commercial performs significantly better than big-box commercial within the city and county.
- The land value per acre is significantly higher near Oviedo on the Park and major roads in the City.
- Single Family Homes and agriculture pay significantly less per acre than commercial and Multi-Unit residential in Oviedo.
- Buildings generate significantly more property taxes than parking in Oviedo.
- Denser development leads to a lower cost per person for the necessary residential infrastructure.
- Potential revenue from new growth should be evaluated against existing and new infrastructure costs.

The proposed Phase 2 analysis is a Cost of Infrastructure analysis that will assist City Council, city staff and the community with understanding the role development patterns play in the cost of

infrastructure and its relationship to city finances. This project will compare the Revenue Model (Property Taxes and Fees) created in the Phase 1 Analysis with a Cost Model (All relevant infrastructure, including streets and pipes). The proposed Phase 2 Analysis will include:

- **Fiscal Research:** Urban3 will examine the sources and uses for city finances and catalogue the mechanisms that fund local services, infrastructure, and capital projects.
- **Cost Data Correction:** Preparing and cleaning all data streams to create the model.
- **Overall Infrastructure Liability Analysis:** Urban3 will determine if the City will be able to maintain its infrastructure footprint. Urban3 will evaluate the fiscal sustainability of the City's development footprint. The analysis will determine if its current footprint pays for itself and what the cash flow will be over time given long term infrastructure liabilities.
- **Final Presentations:** At the end of this process, Urban3 will organize the work into a final presentation document to present virtually to staff and the community explaining the analyses.

From the Phase 2 analysis, the City will have data and a model revealing the fiscal impact of development patterns in the community. Urban3's analysis will provide transparency regarding the cost of growth and long-term obligations, with the goal of creating a healthy, sustainable fiscal future for the City.

The Intergovernmental/Interagency Agreement provided in Exhibit 1 of Resolution No. 4066-21 accomplishes the following:

- Acknowledges the use of the City's procurement process for the solicitation, selection and contracting by the City of Oviedo to award the preparation of the Phase 1 economic analysis;
- Recognizes the City's authority to enter into an Agreement or Master Contract with the selected service provider for Phase 2 of the analysis; and,
- Acknowledges and authorizes the use of CRA TIF revenues by the City for the analysis.

At its April 26, 2021, meeting, the CRA Governing Board approved Resolution No. 132-21, approving the subject Intergovernmental/Interlocal Agreement and authorizing the use of the City's procurement process to enter into an Agreement with Urban3, LLC, the selected service provider for Phase 2 of the economic impact analysis. The CRA approved a budget amendment for the contribution of \$21,280.00 towards the Phase 2 analysis. The total cost of Phase II of the Economic Analysis from Urban3 is \$42,560 as provided in the scope of services and quote provided in Exhibit 2 of Resolution No. 4066-21.

Budget Impact: The proposed Phase 2 portion of the economic analysis is not included in the FY 2020-21 Adopted Budget. A budget amendment is provided as Exhibit 3 of Resolution No. 4066-21 for the City's portion of the Phase 2 economic analysis of \$21,280.00.

Strategic Impact: The execution of this Intergovernmental/Interagency Agreement will clarify the continued cooperative relationship between the City of Oviedo and the Oviedo CRA Governing Board. The agreement clearly articulates the relationship and responsibilities of the Oviedo CRA and the City of Oviedo with regard to the preparation of an economic impact analysis for the City and the continued implementation of the programs and objectives presented in the Community Redevelopment Plan. These actions are consistent with the City's overall economic development strategies, goals and objectives.

Recommendation: It is recommended that City Council adopt Resolution No. 4066-21.

Attachment(s): 1. Intergovernmental/Interagency Agreement for CRA Operations
2. Intergovernmental/Interagency Agreement for Urban3 Phase 1 Analysis

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