

Agenda Memorandum

To: City of Oviedo Community Redevelopment Agency Governing Board
From: John M. Jones, AICP, FRA-RP CRA Executive Director
Date: April 26, 2021
Subject: **Resolution No. 132-21**, Intergovernmental/Interagency Agreement with the City of Oviedo for Phase 2 Economic Analysis

Procedure: Call Up Item
CRA Coordinator Background
Urban3 Presentation
CRA Board Motion to Consider Approval of Scope of Services
CRA Governing Board Action

Introduction: This is a request for the Oviedo Community Redevelopment Agency (CRA) Governing Board to approve an Intergovernmental/Interagency Agreement with the City of Oviedo. 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 CRA Governing Board adopted Resolution No. 101-16, approving an Intergovernmental/Interagency Agreement with the City of Oviedo 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 Intergovernmental/Interagency Agreement was approved by the Oviedo City Council at its April 4, 2016, meeting with the adoption of Resolution No. 3172-16. A copy of the Intergovernmental/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 December 16, 2020, meeting, the CRA Governing Board adopted Resolution No. 129-20 approving an Intergovernmental/Interagency Agreement for the preparation of an 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. Urban3 was tasked to 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;
- Elected officials with a data-driven understanding of the City's economic development landscape, enabling them to make informed decisions about future development and policy;
- Policy recommendations for creating a more fiscally sustainable approach to future development;
- A 3D model of the City's property and sales tax revenues, that can be updated on an annual basis; and
- The City with an understanding of its role in the economy of the broader County, enabling advocacy efforts regionally.

Representatives will present the findings from their Phase 1 analysis and an overview of the proposed Phase 2 analysis. This is 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 policy makers, 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. 132-21 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 proposed Phase 2 economic analysis;
- Recognizes the City's authority to enter into an Agreement or Master Contract with the selected service provider for the analysis; and,
- Acknowledges and authorizes the use of CRA TIF revenues by the City for the second portion of the economic analysis.

The total cost for proposed Phase 2 economic analysis is \$42,560, as provided in the Urban3 Proposed in Attachment 3. The CRA Governing Board is asked to contribute half of the cost of the economic analysis, \$21,280.00.

Budget Impact: The economic analysis is not included in the FY 2020-21 Adopted Budget. A budget amendment is provided in Exhibit 2 of Resolution No. 132-21 for the use of Appropriated for Other Eligible Capital Projects.

CRA Plan Impact: The Economic Analysis is consistent with redevelopment strategies, programs, tasks and activities identified within the adopted 2010 Oviedo Community Redevelopment Plan (Revised 2018).

Recommendation: It is recommended that the CRA Governing Board adopt Resolution 132-21.

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

Prepared by: Debra Pierre, Planning Manager