

Agenda Memorandum

To: City of Oviedo Community Redevelopment Agency Governing Board
Prepared By: Debra Pierre, Planning Manager
From: Bryan Cobb, City Manager
Date: November 29, 2021
Subject: Urban3 Phase 2 Economic Impact Analysis

Procedure: Call Up Item
CRA Executive Director Background
CRA Governing Board Discussion

Introduction: This a presentation to the Oviedo Community Redevelopment Agency (CRA) Governing Board of the Urban3 Phase 2 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 26, 2021, meeting, the CRA Governing Board adopted Resolution No. 132-21 approving an Intergovernmental/Interagency Agreement with the City of Oviedo and budget amendment for the Urban3 Phase 2 Economic Impact Analysis. The agreement and budget amendment facilitated the preparation of Phase 2 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. 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.

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.

Urban3 representatives will present the findings from their Phase 2 Economic Impact Analysis. The Phase 2 Economic Impact Analysis is a Cost of Infrastructure analysis that will assist the City with understanding the role development patterns play in the cost of infrastructure and its relationship to City finances. This project compares 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 subject Phase 2 Impact Analysis includes:

- **Fiscal Research:** Examining 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:** Determining if the City will be able to maintain its infrastructure footprint. Evaluating the fiscal sustainability of the City's development footprint. Determining if its current footprint pays for itself and what the cash flow will be over time given long term infrastructure liabilities.
- **Final Presentations:** 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 City should gain an understanding of:

- how mixed-use development compares to single use development;
- long term costs of infrastructure and how new development will impact the costs of infrastructure;
- infrastructure subsidies and how those subsidies will be paid for;
- what the City will want new growth to look like; and
- which areas of the CRA are most valuable and assist in replicating those areas.

Budget Impact: There is no budget impact as a result of this presentation.

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 provide input to the Urban3 representatives following the presentation.

Attachment(s): 1. Presentation