

ORDINANCE 24-13

AN ORDINANCE OF THE CITY OF ALACHUA, FLORIDA, AMENDING ORDINANCE 20-01 BY ADDING AN INCUBATOR/ACCELERATOR ENTRANT LEASE SUBSIDY AND ADJUSTING THE DURATION OF THE INCUBATOR/ACCELERATOR GRADUATE LEASE SUBSIDY; PROVIDING FOR CODIFICATION OF THIS AMENDMENT IN THE CITY'S CODE OF ORDINANCES; PROVIDING A REPEALING CLAUSE; PROVIDING SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

RECITALS

WHEREAS, the City of Alachua (the "City") recognizes that economic development is a vital component of creating and maintain a sustainable community; and

WHEREAS, economic development contributes to the wellbeing and quality of life of the residents of the City; and

WHEREAS, the City Comprehensive Plan provides for economic development to serve as a focus on maintaining a welcoming business environment; and

WHEREAS, in order to continue the City's positive economic development activities, a business incentive program is necessary to establish alignment between business retention, growth, attraction, and the City's regulatory and fiscal environment; and

WHEREAS, Subpart A, Chapter 10 of the City's Code of Ordinances ("Code") addresses conducting business in the City; and

WHEREAS, this Ordinance amends Chapter 10 of the Code by adding a new Article III. Economic Development, as set forth below, providing for the creation of the Business Incentive Program.

NOW THEREFORE BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF ALACHUA, FLORIDA:

Section 1. Interpretation of Recitals

The above recitals are true and correct and incorporated in this Ordinance.

Section 2. Findings of Fact

The City Commission finds that it is feasible and beneficial to create a Business Incentive Program to promote economic development that protects and maintains the quality of life and prosperity of the community.

Section 3. Conclusions of Law

The authority for the enactment of this Ordinance is Chapter 163, Part I, Florida Statutes; Sections 166.021 and 166.041; and the City's Comprehensive Plan.

Section 4. Amendment to the City Code of Ordinances

City Code of Ordinances Subpart A, Chapter 10 is hereby amended with the creation of a new article, Article III, as follows:

Article III. - Economic Development

Section 10-50. Purpose and consistency with City Comprehensive Plan.

Economic development is a vital component of creating and maintaining a sustainable community, which contributes to the wellbeing and quality of life of the residents of the City of Alachua. The City Comprehensive Plan provides for economic development to serve as a focus on maintaining a welcoming business environment. Economic development includes activities that contribute to the retention, growth and attraction of businesses, which results in job creation, job retention, broadened tax base and improved quality of life.

Section 10-51. Definitions.

The following words, terms, and phrases, when used in this article, shall have the meanings ascribed to them in this section except when the context clearly indicates a different meaning:

City of Alachua Strategic Plan means the plan approved by the City Commission that guides the overarching strategic initiatives of the City.

Incentive funding period means the period of time in which an applicant is receiving an incentive benefit in the form of direct funds, discounting of City services, expedited review, or matching discount funding.

Retroactively means prior to an approved application of an incentive and any other incentive-specific criteria being met.

Section 10-52. Business Incentive Program.

There is hereby created a Business Incentive Program to promote economic development in the City of Alachua.

(a) Business Development Electric Discount

Provides for the incremental discounting of City of Alachua electric rates over a five-year period.

1. Eligibility: All General Service Demand and all General Service Large Demand Applicants occupying new facilities not previously occupied with an expected monthly billing demand of 350 kW or greater at a single site; or Existing General Service Demand Customer Applicants or General Service Large Demand Customer Applicants increasing the expected monthly billing demand by 350 kilowatts or greater at a single site. The discount is not available for load shifted between service delivery points within the City of Alachua electric service territory. The discount is not available to applicants with net metering.

2. Rate Discount: Eligible applicant receives a discount for the total of the following electric charges:

(a) customer charge, and

(b) energy charge, and

(c) demand charge, and

(d) bulk power cost adjustment charge.

The discount will be effective for each month for a five-year period following the commencement of eligibility based on the following percentages:

Year 1: 25%,

Year 2: 20%

Year 3: 15%

Year 4: 10%

Year 5: 5%

Year 6 and thereafter: 0%

The discount shall not apply to any taxes on electric service.

Business Development Electric Discount will not be available retroactively. Application for discount must occur prior to increasing the expected monthly billing demand by 350 kilowatts or greater at a single new or previously occupied site.

3. Additional Provisions: The following additional provisions shall apply.

(a) New Facilities:

If the metered demand in new facilities declines below 350 kW in any month, the City will suspend the discount. For existing General Service Demand Customer Applicants or General Service Large Demand Customer Applicants with increased billing demand, if the increase in billing demand does not exceed the billing demand for the corresponding month in the prior year, the City will suspend the discount.

(b) Existing Facilities:

For existing Customer Applicants, the discount will only be applied to the charges above the Base Metered Demand and Base Energy Consumption including the bulk power costs adjustment charges. Base Metered Demand and Base Energy Consumption is defined as the average of actual demand and actual energy consumption for the 12-month period immediately prior to the application for the discount.

(b) Electric Contribution in Aid of Construction

Provides for the discounting of costs associated with the extension, addition and/or modification of the City of Alachua electric infrastructure.

1. Eligibility: Applicants must be new or existing non-residential City of Alachua electric customers requiring an extension, addition and/or modification to the existing City of Alachua electric system necessary to serve new or additional electric system load.

2. Rate Discount: Eligible applicant receives a discount based on the following calculation:

Total Estimated Cost of New or Upgraded Facilities as determined by the City less four years of Base Electric Revenues.

The Base Electric Revenues shall be the estimated total electric revenues for a four-year period less:

- (a) bulk power cost adjustment (BPCA) revenues, and
- (b) bulk power cost base revenues means those power-related costs that are embedded within the base rate included in Base Rates.

Base Rate Electric revenues shall be estimated by the City and include all energy and demand charges, but does not include any taxes.

Electric Contribution in Aid of Construction will not be available retroactively. Application for discount must occur prior to the extension, addition and/or modification of the City of Alachua electric infrastructure.

3. Additional Provisions: The following additional provisions shall apply.

(a) In no instance shall an Electric Contribution in Aid of Construction be less than zero.

(b) Applicant shall pay the Electric Contribution in Aid of Construction amount prior to commencement of construction of the extension, addition and/or modification of the electric facilities.

(c) Expedited Permitting Service

Provides for expedited permitting review services.

1. Eligibility: Applicant must locate, expand or redevelop in the City of Alachua Community Redevelopment Area, or demonstrate the location, expansion or redevelopment project aligns with at least one (1) initiative of the City of Alachua Strategic Plan that is in effect at the time of application.

2. Expedited Benefits:

(a) Eligible Applicant receives, at minimum, a two-week review time reduction for the following permits:

- i. Rezoning
- ii. Site Plan
- iii. Subdivision Plat

Expedited Permitting will not be available retroactively. Application for Expedited Permitting must occur prior to permit application submittal. Applicant shall make complete and timely submittals and responses to the City.

3. Additional Provisions: The following additional provisions shall apply.

(a) Pre-application meeting is required prior to determination of eligibility.

(d) Incubator/Accelerator Entrant Lease Subsidy

Provides for rental subsidies for new incubator and/or accelerator entrants.

1. Eligibility:

- (a) Applicants must be approved for entrance into a small business incubator program at the University of Florida Sid Martin Biotechnology Institute, or
- (b) From a similarly recognized small business incubator and/or accelerator program that is a member of the National Business Incubation Association, or
- (c) From a small similarly recognized small business incubator and/or accelerator program that is currently located in the city of Alachua.
- (d) The City Manager, in his/her sole discretion, shall determine if a business meets the eligibility requirements of this section.

Incubator Entrant Lease Subsidy will not be available retroactively. Application for subsidy must occur after approval of entrance into an incubator/accelerator but prior to physical relocation.

2. Subsidy Amount: Eligible applicant receives up to two (2) years (twenty-four months) of rental subsidies in an amount not to exceed \$12,000 for incubator entrants that locate in the City of Alachua.

(e) Incubator/Accelerator Graduate Lease Subsidy

Provides for rental subsidies for incubator and/or accelerator graduates.

1. Eligibility:

- (a) Applicants must have graduated within the past 12 months from a small business incubator program at the University of Florida Sid Martin Biotechnology Institute, or
- (b) From a similarly recognized small business incubator and/or accelerator program that is a member of the National Business Incubation Association, or
- (c) From a small similarly recognized small business incubator and/or accelerator program that is currently located in the city of Alachua.
- (d) The City Manager, in his/her sole discretion, shall determine if a business meets the eligibility requirements of this section.

Incubator Graduate Lease Subsidy will not be available retroactively. Application for subsidy must occur within 12 months of graduation from incubator and/or accelerator.

2. Subsidy Amount: Eligible applicant receives up to two (2) years (twenty-four months) of rental subsidies in an amount not to exceed \$12,000 for incubator graduates that locate in the City of Alachua.

(f) Small Business Assistance Program

Provides for reimbursable matching funds related to City of Alachua fees/charges for small businesses.

1. Eligibility: Applicant must be a new, for-profit business or an expanding, for-profit business with no more than 25 employees located within, or locating to, the city of Alachua. Applicant must not be a franchisee of a parent corporate and/or national chain.
2. Matching Funds Amount: Eligible applicant receives a 50% matching fund (one-to-one basis) in the amount not to exceed \$20,000 for the following fees/charges:
 - (a) Capital Facilities Charges
 - (b) Site Plan Review Fees
 - (c) Building Permit Fees
 - (d) All elements of public right-of-way infrastructure within the City's jurisdiction that may require new installation, repair, replacement or relocation. This includes, but is not limited to, street lighting and fire hydrant installation/relocation, sidewalk repairs; water and sewer line construction, removal or relocation; curb, gutter, street improvements and landscaping.

Small Business Assistance Program will not be available retroactively. Application for matching funds must occur prior to locating new business in the city of Alachua.

(g) Tech Matching Grant Fund

Provides for reimbursable matching funds for technology-focused events and programs.

1. Eligibility: Event must take place within the city of Alachua and have the primary intent to:
 - (a) Increase the connection and collaboration among start-up and existing tech companies in Alachua, or
 - (b) Foster the Alachua tech talent pipeline, or
 - (c) Catalyze private capital investments for start-up and existing tech companies in Alachua, or
 - (d) Increase Alachua's reputation as a tech hub.
2. Matching Funds Amount: Eligible applicant receives a 50% matching fund (one-to-one basis) in the amount not to exceed \$1,500.
Tech Matching Grant Fund will not be available retroactively. Application for matching funds must occur prior to event and/or program.
3. Additional Provisions: The following additional provisions shall apply.
 - (a) The Applicant must demonstrate a minimum of one-year history of producing the event and/or program (or similar events and/or programs).

(h) Administration

The City Manager is hereby authorized and directed to establish an application process and applicable rules/procedures to effectively administer the Business Incentive Program. The City Manager shall have the authority to approve or deny applications in his/her sole discretion. In the event an application is approved, and during the course of the incentive funding period is determined to not meet the eligibility criteria, rules or procedures, the City Manager may suspend or terminate the application in his/her sole discretion.

(i) Funding

Applications may not be awarded if funding is not available, as determined by the City Manager in his/her sole discretion. If an application is approved and during the course of the incentive funding period is not available, the City Manager may suspend or terminate the application in his/her sole discretion.

Section 5. Codification of and Correction of Scrivener's Errors

The City Manager or designee, without public hearing, is authorized to correct any typographical errors which do not affect the intent of this Ordinance. A corrected copy shall be posted in the public record.

Section 6. Ordinance to be Construed Liberally

This Ordinance shall be liberally construed in order to effectively carry out the purposes hereof which are deemed to be in the best interest of the public health, safety, and welfare of the citizens and residents of the City of Alachua, Florida.

Section 7. Repealing Clause

All ordinances or parts of ordinances in conflict herewith are, to the extent of the conflict, hereby repealed.

Section 8. Severability

It is the declared intent of the City Commission of the City of Alachua that, if any section, sentence, clause, phrase, or provision of this Ordinance is for any reason held or declared to be unconstitutional, void, or inoperative by any court or agency of competent jurisdiction, such holding of invalidity or unconstitutionality shall not affect the remaining provisions of this Ordinance, and the remainder of the Ordinance after the exclusions of such part or parts shall be deemed to be valid.

Section 9. Effective Date

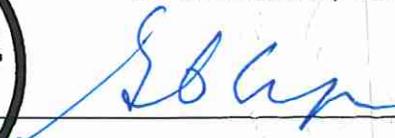
This Ordinance shall take effect immediately upon its adoption by the City Commission.

Passed on First Reading the 9th day of September, 2024.

PASSED and ADOPTED, in regular session, with a quorum present and voting, by the City Commission, upon second and final reading this 23rd day of September, 2024.



CITY COMMISSION OF THE
CITY OF ALACHUA, FLORIDA



Gib Coerper, Mayor
SEAL

ATTEST:



Mike DaRoza, City Manager/Clerk

APPROVED AS TO FORM



Marian B. Rush, City Attorney