Business Impact Estimate

This form should be included in the agenda packet for the item under which the proposed ordinance is to be considered and must be posted on the City's website by the time notice of the proposed ordinance is published.

ORDINANCE NO. 2026-691

An ordinance of the City of Gainesville, Florida, finding that property located at 413 West University Avenue and commonly known as the Gainesville Lodge, as more specifically described in this ordinance, qualifies for an ad valorem tax exemption for historic properties; granting an exemption from ad valorem tax for certain improvements beginning January 1, 2027, and continuing for 10 years under certain conditions; authorizing the Mayor and the City Clerk to sign the Historic Preservation Property Tax Exemption Covenant between the property owner and the City; providing a severability clause; providing a repealing clause; and providing an effective date.

This Business Impact Estimate is provided in accordance with section 166.041(4), Florida Statutes. If one or more boxes are checked below, this means the City is of the view that a business impact estimate is not required by state law[1] for the proposed ordinance, but the City is, nevertheless, providing this Business Impact Estimate as a courtesy and to avoid any procedural issues that could impact the enactment of the proposed ordinance. This Business Impact Estimate may be revised following its initial posting.

- ☐ The proposed ordinance is required for compliance with Federal or State law or regulation;
- ☐ The proposed ordinance relates to the issuance or refinancing of debt;
- ☐ The proposed ordinance relates to the adoption of budgets, or budget amendments, including revenue sources necessary to fund the budget;
- ☐ The proposed ordinance is required to implement a contract or an agreement, including, but not limited to, any Federal, State, local, or private grant or other financial assistance accepted by the municipal government;
- ☐ The proposed ordinance is an emergency ordinance;
- ☐ The ordinance relates to procurement; or
- ☒ The proposed ordinance is enacted to implement the following:
    a. Development orders and development permits, as those terms are defined in section 163.3164, F.S., and development agreements, as authorized under sections 163.3220-163.3243, F.S.;
    b. Comprehensive Plan Amendments and land development regulation amendments initiated by an application by a private party other than the City;

[1] See Section 166.041(4)(c), Florida Statutes.

c. Sections 190.005 and 190.046, Florida Statutes, regarding community development districts;
d. Section 553.73, Florida Statutes, relating to the Florida Building Code; or
e. Section 633.202, Florida Statutes, relating to the Florida Fire Prevention Code.

In accordance with the provisions of controlling law, notwithstanding the fact that an exemption noted above may apply, the City hereby publishes the following information:

1. Summary of the proposed ordinance (must include a statement of public purpose, such as serving the public health, safety, morals and welfare):

This ordinance will allow the commercial property located at 413 West University Avenue to receive the Historic Preservation Ad-Valorem tax exemption for a period of ten years, which are provided for improvements made to individually designated historic properties or to contributing properties within designated historic districts. The ordinance is part of the required "Procedure for Obtaining Tax Exemption" in Section 25-65(e) under Article IV – Tax Exemption for Historic Properties.

The ability for local municipalities to offer the Ad-Valorem tax exemption for historic properties is authorized by Florida Statutes 196.1977 and 196.1998.

In creating the historic preservation ordinance, the city commission found that "the recognition, protection, enhancement and use of such resources is a public purpose and is essential to the health, safety, morals and economic, educational, cultural and general welfare of the public, since these efforts result in the enhancement of property values, the stabilization of neighborhoods and areas of the city, the increase of economic benefits to the city and its inhabitants, the promotion of local interest, the enrichment of human life in its educational and cultural dimensions, serving spiritual as well as material needs, and the fostering of civic pride in the beauty and noble accomplishments of the past." (Section 30-4.28 (A)(5).

The Ad-Valorem tax exemption program also aligns with the purpose of the Historic Preservation Element in the currently adopted Comprehensive Plan (last updated 1/19/2012), specifically Objective 1.5, which states "The City shall maintain a [historic preservation] program that increases public and private involvement in the preservation, protection, enhancement and support of historic, archaeological and cultural resources.

This exemption of a portion of ad-valorem taxes provides an incentive to private property owners who have invested significant time and resources into the preservation, restoration, and rehabilitation of the historic resources within their care.

2. An estimate of the direct economic impact of the proposed ordinance on private, for-profit businesses in the City, if any:
(a) An estimate of direct compliance costs that businesses may reasonably incur;
(b) Any new charge or fee imposed by the proposed ordinance or for which businesses will be financially responsible; and
(c) An estimate of the City's regulatory costs, including estimated revenues from any new charges or fees to cover such costs.

The proposed tax exemption does not impact any local private or for-profit businesses, nor does it cost the city anything to regulate such exemption.
The tax exemption also does not reduce taxes that the city currently collects on private property. The tax exemption essentially freezes the value of the property as it was before the improvements were made (and hence, keeps the taxable value at what it was before construction).

3. Good faith estimate of the number of businesses likely to be impacted by the proposed ordinance:

No other businesses (besides the business applying for this tax exemption) are impacted by this proposed ordinance.

4. Additional information the governing body deems useful (if any):

The exemption runs for a period of ten (10) years, and stays with the property, regardless of who owns the property. The incentive is meant to encourage people to restore historic properties by not immediately increasing their property value, due to the improvements made, thus keeping the property taxes from immediately increasing as well.

The property owner will still be responsible for the same amount of taxes at whatever value the property was assessed at before the improvements were made, therefore the City does not "lose" any taxes. It is simply a deferment of increased taxes for a period of ten years.

The property must be maintained and preserved during the ten-year exemption period in order to retain the exemption.

The amount of the exemption is determined by the Alachua County Property Appraiser based upon its usual process for post-construction inspection and appraisal of property following rehabilitation or renovation.