

LEGISLATIVE REFERENCE BUREAU FISCAL ANALYSIS

**COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE
SEPTEMBER 20, 2007
Item 11, File #070718**

File Number 070718 is a resolution authorizing the transfer and expenditure of \$275,000 from the Development Fund to the Iron Horse Development.

Background

1. The Development Fund is a Department of City Development-administered capital account that provides financial assistance for development projects that do not qualify for tax incremental district designation. The Fund has been used to support façade-improvement grants and loans, brownfield cleanups, business improvement district activities, new home incentives and neighborhood street improvements.
2. The guidelines for use of the Development Fund state that expenditures to “fund infrastructure work to facilitate private investment” are an allowable use of the Fund.

Discussion

1. Developer Tim Dixon has proposed conversion of a 6-story, 96,000-square-foot former warehouse at 500 West Florida Street. The proposed “Iron Horse Development,” which will also include a first-floor restaurant, will have a total project cost of about \$18 million.
2. Site preparation work for the Iron Horse Development is already underway. The target project completion date is July, 2008.
3. The Department of City Development has proposed the transfer and expenditure of \$275,000 from the Development Fund for improvements to the 5th Street public right-of-way and construction of a new retaining wall for the 6th Street bridge, both relating to the Iron Horse Development. This appears to be an eligible use of the fund under the “infrastructure work to facilitate private investment” criterion.
4. The proposed public improvements will be performed under contracts let and administered by DCD.
5. The Iron Horse Development is receiving no other financial assistance from the City. However, the project will receive City assistance in the form of vacation of a portion of the adjacent right-of-way and the sale of adjacent City-owned property to the developer.

Fiscal Impact

The impact of this resolution will be a reduction of the balance in the Development Fund by \$275,000.

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