

COMMUNITY REDEVELOPMENT AREA POLICY PROGRAM AND IMPLEMENTATION GUIDELINES

I. Introduction

A. Background

On October 4, 2016, the Pinellas County Board of County Commission (Board) authorized county staff (Staff) to further develop the draft Community Redevelopment Area Policy establishing an evaluation and scoring criteria to ascertain a Community Redevelopment Area (CRA) 'Local Designation' for the purpose of determining Tax Increment Financing (TIF) funding participation by Pinellas County (County) and eligible uses of TIF funds.

Florida Statute, Chapter 163, Part III, as referenced throughout this document, guides state regulated Community Redevelopment Areas. Per Chapter 163, Part III, F.S., local governments are able to designate areas as Community Redevelopment Areas when certain conditions exist, and to function as a specifically focused financing tool for redevelopment that is consistent with local comprehensive plans and the adopted CRA Plan. Through the use of tax increment financing, the future value of private investment within a CRA is leveraged to finance public improvements, enhance existing public infrastructure, and maximize the benefits of other incentive tools. By having tax increment as a resource allows for concentrated public investment which can act as a catalyst for private sector investment in areas that may otherwise not attract market interest. The implementation of a CRA Policy permits the County to promote reinvestment in priority geographic areas by classifying the CRA as one of three local designations. Pinellas County, a Charter County, and as a taxing entity can opt in at a participation percentage and term length based on the parameters set forth by each Local Designation.

Full text of these and other relevant statutes and policies as cross-referenced within Chapter 163 are available online at: <http://www.leg.state.fl.us/Statutes/>. Readers are cautioned that these statutes and policies are subject to revisions, but that this Policy, unless otherwise stated, refers to the specific statutes and policies in effect at the time of the adoption of this Policy, but shall be updated as necessary.

B. Implementation

The following sets forth policy and serves as an implementation tool for staff and interested parties regarding the creation, funding, and management of CRAs, whether initiated by the City, Community Redevelopment Agency (AGENCY), or County, seeking TIF Financing Funding from Pinellas County. The requirements of the CRA Policy apply to all New and Existing CRA/TIF expansions and extensions subject to consideration by the Board of County Commission, as well as those CRAs that are currently undergoing local jurisdiction review and formalization but do not have a final approval by the Board. In order to provide continuity and develop a firm foundation for the CRA Policy regarding TIF, this Policy shall be considered effective as of January 2017. TIF is a discretionary program, and the implementation of this Policy or the application for public financing under this policy does not create or vest any rights nor does it guarantee that any CRA under consideration will be created by the City or County.

C. CRA Policy

Since 2002, Pinellas County's TIF Program has included incremental revisions and reviews, and in May 2016 the Board set forth direction to staff to begin evaluating how best to develop a fair, equitable, and transparent process for carrying out suitably scaled County TIF participation for all CRAs demonstrating need. The established process will enable Pinellas County to hold in high priority the need to more effectively address areas of significant economic and social distress bringing relevant policy into alignment with the Pinellas County's Strategic Action Plan.

II. Elements Common to all Community Redevelopment Areas

A. Criteria for Eligibility and Local Designation

1. Scoring Criteria

The County will determine the level of TIF funding and participation based on the CRA's matrix final score and corresponding local designation using the following measurable factors.

- CDBG Census tracts
- Coastal High Hazard Area Adjacency
- Blight Factors Demonstrated (163.340(8),F.S.)
- Economic Potential (Category score is the sum total of up to 15 points, of the following three sub-criteria)
 - Amount of commercial/industrial zoning as a percent of the entire area (Higher score for lower percentage):

Below 20% = 2	20%-35% = 1	Above 35% = 0
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 - Number of employees per acre (Higher score for lower number per acre):

Less than 5 = 2	5 –10 = 1	More than 10 = 0
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 - Median Non-Residential Values (Compared to Countywide):

Below 100% of average = 11	Above 100% of average = 7	Above 125% of average = 5	Above 150% of average = 0
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- Unemployment %
- Poverty Rate
- Median Per Capita Income
- Change in Labor Force Employment (Over three year period)
- Average Age of Housing Stock
- Median Residential Values (Compared to Countywide)

Optional criteria not currently reflected in the scoring matrix

- Tax Increment Generation Per Acre (Based on the estimated tax increment divided by the total number of acres)
- Infrastructure (Category score is the sum total of the following two sub-criteria)
 - Ability of public services to support future development
 - Sidewalks/Pedestrian Safety (Percentage of improved public ROW of total area)
- Housing (Percentage of zoning acres that allow for affordable/workforce housing (Multi-family, Mixed-Use) per total CRA acres)

See Table 1. Scoring Criteria Matrix

Table 1. Scoring Criteria Matrix

Category	Max Pts	Criteria = Points			
Economic Potential	15	Actual sum total points of three sub-criteria scores (Commercial/industrial zoning %; Employees per acre; Non-Residential Value compared to Countywide)			
CDBG	10	Majority of CRA within eligible Census Tracts = 10	Majority of CRA not within eligible Census Tracts = 0		
Coastal High Hazard Area	5	Within Coastal High Hazard Area = 5	Not within Coastal High Hazard Area = 0		
Average Age of Housing Stock	10	Over 35 years old = 10	Less than 35 years old = 0		
Demonstrated Blight Factors (163.340(8), F.S.)	10	5 or more = 10	3 to 5 = 7	2 or less = 4	FON over 15 years old = 0
Unemployment	20	Above 150% of average = 20	Above 125% of average = 15	Above 110% of average = 10	Below 110% of average = 0
Poverty	15	Above 150% of average = 15	Above 125% of average = 11	Above 110% of average = 7	Below 110% of average = 0
Median Per Capita Income	15	Not more than 60% of the average = 15	Not more than 70% of the average = 11	Not more than 80% of the average = 7	80% of the average or more = 0
Change in Labor Force Employment	10	Decline = 10	Increase: 0%-50% of growth rate = 7	Increase: 51%-75% of growth rate = 4	Increase: 75% or more of growth rate = 0
Median Residential Values	15	Above 150% of average = 0	Above 125% of average = 7	Above 100% of average = 11	Below 100% of average = 15
TOTAL POINTS	125				

2. Local Designation

Local designations will be used to categorize the primary function and priorities within a CRA, and with municipal partners to ensure ample attention is given to County priority areas through the participation of TIF funding. Three Local Designations, each with a primary focus and distinguishing goals and objectives are described as follows.

- a. **Urban Revitalization:** By definition these areas are the most distressed areas, where poverty is endemic and where other programs (namely CDBG) have targeted funding.
 - Focus: Removal of blight through community revitalization
 - At least 2 Blight Factors (As required in 163.340(8), F.S.)
 - People Focus
 - Catalyze redevelopment of underutilized/neglected areas
 - Prevalence of low and moderate income persons

- b. **Community Renewal:** By definition, these areas are experiencing ongoing hurdles, and investment/redevelopment has not kept pace, but where conditions aren't as impoverished as the Urban Revitalization areas.
 - Focus: Redevelopment by improving building stock and strengthening the neighborhood economy
 - At least 3 Blight Factors (As required in 163.340(8), F.S.)
 - Requires financial assistance to promote growth

- c. **Economic Development:** By definition, these areas may experience stagnation, but where ultimately, there are opportunities due to diversity of uses, inherent local economy and location.
 - Focus: Enhancement for local community and regional economic opportunity
 - At least 5 Blight Factors (As indicated in 163.340(8), F.S.)
 - Requires financial assistance to promote growth
 - City's ability to leverage economic investment opportunities

3. Scoring Range (To determine the appropriate local designation for each CRA)

Local Designation	Scoring Range
Urban Revitalization	Above 85
Community Renewal	Between 50 – 84
Economic Development	Below 49

4. TIF Funding Term Limits

To more closely manage spending, TIF Funding Term Limits will be incorporated into the CRA Policy Program. The maximum term for county funded TIF CRAs will be based on the local designation. The terms outlined are “up to”, and the receiving of a certain score and respective designation does not guarantee a maximum term limit. Upon the term's midpoint, expiration or any other pre-determined date, staff will present a summary report to the Board, who can elect to maintain or extend the TIF term limit under current or modified parameters, or choose to terminate all such funding. The recommended term limits for each local designation are as follows:

- Urban Revitalization = up to 30 years with 15 year review
- Community Renewal = up to 20 years with 10 year review
- Economic Development = up to 10 years with 5 year review

5. Maximum County Participation

The CRA Act and the CRA Policy authorizes Pinellas County as a taxing entity to determine the amount of tax increment to contribute to a CRA. The County TIF contribution (Percentage) will be determined in part by the CRA's local designation which sets forth by definition the CRA's primary functionality, priorities and ability to stimulate private investment. The TIF contributions outlined are 'up to' maximums and shall be generally followed, however, it does not mean that CRAs that receive a certain score and designation will automatically receive the maximum contribution, nor does it mean

that a higher TIF percentage may not be adopted.

- Urban Revitalization = up to 95%
- Community Renewal = up to 75%
- Economic Development = up to 50%

6. TIF Funding Caps

Except in certain circumstances, County TIF contributions shall not exceed the established total funding contribution of the City TIF. The County can negotiate a maximum participation cap outside of this general rule based on any or all of the following:

- Ability to provide adequate services through a documented service analysis
- Prioritization of public improvement needs
- Utilization of a comparable millage rate as compared to unincorporated county rate
- Ability to leverage private investment by virtue of land use diversity and desired location

7. Bonding

All related and applicable city initiated bonds must be approved by the County if such city receives CRA County TIF funds, and therefore, the County has the authority to cancel all contributions if such approval is not sought.

8. TIF Funding Eligible Uses

The CRA Policy shall define Eligible and Ineligible Uses (see Tables 2 and 3, TIF Eligibility Tables) as determined in part by the CRA's Local Designation, and primary need for 'Place Based Capital Projects', 'People Based Capital Projects', or any combination thereof.

9. Termination of TIF Funding

The County may elect to terminate if at the established review point if the demonstrated need changes or previously identified objectives have not been achieved according to project and budget timelines as identified in the CRA Plan. The County is committed to working with our municipal partners to address TIF funding and related matters. However, any further default of the terms contained in the Interlocal Agreement that is not met or cured within the timeframe contained in the Interlocal Agreement or through other cooperative measures may also result in TIF funding termination.

10. Required Documentation

For Staff to provide a full analysis of the submitted CRA, and make a recommendation to the Board as to the CRA scoring total, local designation and associated outcomes, a plan review and pre-submittal meeting with City and County staff, and the following documents must be submitted.

- Plan Review and Pre-submittal Meeting
- Submittal of required documents, including but not limited to:
 - Finding of Necessity
 - CRA Plan (including all related project and program budgets)
 - Estimated TIF Projections
 - Geographic Boundary (GIS) file
- Upon staff completing the analysis, a scoring sheet and local designation recommendation summary will be provided to the City for review prior to formal submittal to the Board for consideration.

TABLE 2. PLACED-BASED TAX INCREMENT FINANCING ELIGIBILITY TABLE

PLACE BASED CAPITAL PROJECT TYPES	COUNTY TIF	CITY/MSTU TIF	INELIGIBLE (F. S.)	INELIGIBLE (COUNTY POLICY)
Identified in CRA Plan and "District Wide" Benefit, such as:				
• Streetscape improvements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
• Public parking facilities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
• Major/regional drainage improvements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
• Mobility improvements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
• Non-governmental public facilities (e.g. Mahaffey Theater)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
• Brownfields remediation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
• Affordable housing developments	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
• Trail improvements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Undergrounding utility lines		<input checked="" type="checkbox"/>		
Projects that can be funded through enterprise funds (sewer/potable water)		<input checked="" type="checkbox"/>		
Neighborhood improvements (streets, sidewalks, streetlights, parks, drainage)		<input checked="" type="checkbox"/>		
Construction of administrative/police/fire/ buildings with taxing authorities concurrence	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Any capital project not identified in an approved CRA plan			<input checked="" type="checkbox"/>	

TABLE 3. PEOPLE-BASED TAX INCREMENT FINANCING ELIGIBILITY TABLE

PEOPLE BASED PROJECTS & PROGRAMS	COUNTY TIF	CITY/MSTU TIF	INELIGIBLE (F. S.)	INELIGIBLE (COUNTY POLICY)
Affordable housing program efforts/relocation assistance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Planning/engineering/surveys and other professional services associated with an eligible capital project.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Site acquisitions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Commercial façade grants	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Marketing and special events		<input checked="" type="checkbox"/>		
CRA personnel, offices, administrative, etc.		<input checked="" type="checkbox"/>		
Community policing program	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Revolving loan fund		<input checked="" type="checkbox"/>		
Residential façade assistance grants		<input checked="" type="checkbox"/>		
CRA redevelopment incentive funding		<input checked="" type="checkbox"/>		
Economic development	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Government operating expenses unrelated to CRA operations			<input checked="" type="checkbox"/>	
Utility service costs, including irrigation water, and electrical costs for special events			<input checked="" type="checkbox"/>	
Streetscape maintenance			<input checked="" type="checkbox"/>	
Resiliency / vulnerability adaption improvements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Any project/program not identified in CRA plan			<input checked="" type="checkbox"/>	

*** Any item shown in the color **Green** is a newly proposed eligible use and/or funding source