



## MEMORANDUM

---

TO: Barry Burton, County Administrator

FROM: Evan Johnson, AICP, Interim Planning Division Manager

THROUGH: Tom Almonte, Assistant County Administrator

SUBJECT: Intown Redevelopment Plan 15-Year Review

DATE: November 7, 2020

---

### BACKGROUND AND PURPOSE

The City of St. Petersburg submitted the Intown Redevelopment Plan (IRP) 15-Year Review (the Report) summarizing the overall performance of the Tax Increment Finance (TIF) revenues used within the Intown Community Redevelopment Area (CRA) from 2005-2019.

The purpose of this memorandum is to provide a summary of the Report and document how the City has addressed the required performance criteria included in Sec. 38-61 of the Pinellas County Code.

### OVERVIEW OF INTOWN REDEVELOPMENT PLAN

The IRP uses TIF revenues to fund improvement projects within the CRA boundary. In 2005 (Ord. 05-25), the trust fund ordinance was modified and the collection of TIF funds was extended through 2032 (City Ordinance 715-G). Per changes to Pinellas County Code Sec. 38-61 made with the adoption of Ord. 18-49 the TIF contributions from the County were modified as follows:

- **In FY2019 Pinellas County's contribution to the IRP was reduced from 85 percent to 75 percent.**
- **In FY 2021 Pinellas County's contribution to the IRP is scheduled to be reduced to 50 percent.**

The goal of this review is to determine if the City has been successful in accomplishing their goal of attracting *"significant private investment in residential, employment and retail uses so that the community redevelopment area is marketable"* through the implementation of the IRP.

### EVALUATION OF PERFORMANCE CRITERIA

Pursuant to Pinellas County Code Sec. 38-61, which codified amendments to the IRP Redevelopment Trust Fund, a 15 Year Review of the CRA's performance is required. The specific focus areas covered by this review are included in Pinellas County Code Sec. 38-61 and include the following:

1. Performance of Tax Increment Financing (TIF) Revenues;

2. Implementation of the Downtown Redevelopment Plan; and
3. Effectiveness of Downtown Redevelopment Plan at Mitigating Blighting Influence.

For each of the focus areas listed above, measures were identified within Pinellas County Code Sec. 38-61. In the following section, each focus area and associated measures are addressed with documentation from the City's submitted 15-Year Review report. T

### **(1) Performance of TIF Revenues**

***During the 15-year review period, how do the annual TIF revenues collected compare to the estimated revenues.***

***Measures: Collected TIF revenues (per property appraiser and tax collector)***

Based on the Report, actual TIF revenues have greatly outperformed the projections included in the 2005 amendment of the IRP (**See Table 2.1 on page 13**). Since 2005, the total annual TIF revenue of the CRA area has increased from **\$6,221,000 (2005)** to a projected **\$21,550,000 (2020)**. Since 2013 there has been a 153% increase in property values in the Intown CRA, which has yielded actual TIF revenues that are 134% higher in 2020 (\$21,550,000) than what was projected for the same year with the plan approval in 2005 (\$9,224,000).

### **(2) Implementation of the Downtown Redevelopment Plan:**

***During the 15-year review period, how has the City performed in implementing the Downtown Redevelopment Plan with emphasis on use of TIF Funds in implementation?***

***Measure: Capital projects built or substantially completed compared to the projects listed in the Intown Redevelopment Plan***

Since 2005, the CRA has seen major improvements to the Intown area. The Report indicates significant progress including the addition of a mixed-use downtown core, parcel assembly, streetscape and transportation/mobility projects, and expanding cultural offerings. A summary of TIF Expenditures can be found in **Table 3.2 on page 35**. The major projects identified in this summary include the following (\$ amounts represent expended/planned – more detail can be found in **Table 3.2** of the report document):

- Municipal Pier Project (\$50 Million)
- Downtown Waterfront Master Plan Improvements (\$20 Million)
- Duke Energy Center for the Arts (\$25.84 Million)
- Salvador Dali Museum (\$2.5 Million)
- Enhancements to Municipal Pier Project (\$10 Million)
- Downtown Transportation and Parking Improvements (1.0 Million)
- Pedestrian System/Streetscape Improvements (\$1.6 Million)

- Park Improvements (\$0.260 Million)
- Waterfront, Transit and Parking Improvements (\$5.2 Million)
- Rehabilitation and Conservation of Historic Resources (\$0.806 Million)

The total TIF Funding encumbered/expended within the CRA for the term 2005-2020 is approximately \$117 Million.

***Measure: CRA programs and programs outlined in the plan implementation chapter of the Intown Redevelopment Plan***

There is a discussion in the Report regarding the implementation of the IRP Development Plan on **pages 46-56**. This section demonstrates the successes that the City and the CRA have had in implementing the development vision within the IRP.

***Measure: Changes in employment opportunities in the Intown CRA comparing year 2005 to the year 2020.***

Employment has also grown in the CRA. In 2005 there were roughly 7,258 employees earning \$98,234,660 in Q1 wages, in 2019 this number increased to 8,295 employees (+14%) earning \$158,031,524 in Q1 wages (+61%). **Table 3.7 on page 58** summarizes this information and identifies the number of new businesses/establishments.

**(3) Effectiveness of Downtown Redevelopment Plan at Mitigating Blighting Influence:**

***During the 15-year review period, do the actions implementing the Downtown Redevelopment Plan have the desired effect of redeveloping the CRA.***

***Measure: A comparison from the year 2005 to year 2020 of the changes in the median household income in the Intown Redevelopment Area to the citywide median household income.***

**Table 4.1 on page 60** includes a summation of median household income in the Census Tracts occupying the Intown area compared to the city. The table includes a comparison of 2000 Census data vs. 2017 American Community Survey (ACS) data, concluding that Intown Household Incomes have increased in comparison to the citywide median household income numbers.

***Measure: A comparison of the land-value to improvement-value in the Intown redevelopment area from year 2005 to 2020.***

**Table 4.3 on page 64** includes a comparison of the land to improvement value ratio between 2005 and 2018 summarizing the change in the ratio over time. The land to improvement value ratio is a good indicator of whether an area is experiencing investment or is in decline. For example, a land to improvement value ratio near 1:1 reflects an area with older underutilized

buildings. The higher the ratio, the healthier the local real estate market likely is due to the investment in new and higher density buildings. In the Intown CRA, the land to improvement value ratio increased from 1:2.93 in 2005 to 1:3.88 in 2018. This increase reflects a market that has seen investment in new construction of higher value improvements.

***Measure: A comparison of the changes from year 2005 to year 2020 in the percentage of land in the Intown Redevelopment Area that is devoted to surface parking, or is vacant, or otherwise underutilized.***

**Table 4.4 on page 66** highlights Intown development on underutilized holdings since 2005. By 2019, the amount of underutilized land was 1.6 million SF or roughly 37 Acres, which is 52 percent of the total in 2005. If we include approved development proposals as of September 2019, the amount then decreases to 1.11 million SF or roughly 25 Acres, which is only 36 percent of the total from 2005. **Table 4.5 on page 67** provides a list of the existing and planned projects that have redeveloped these underutilized sites.

***Measure: A comparison of the percentage of deteriorated or dilapidated structures in the Intown Redevelopment Area from the year 2005 to year 2020.***

Lastly, **Table 4.6 on page 69** compares the number of code enforcement cases in the Downtown area to those in the Intown CRA from 2005-2018. Since 2005 there has been a total of 43 code enforcement cases in the Intown CRA, while there has been a total of 469 in all Downtown. The CRA represents roughly 67 percent of the total Downtown land area, codes cases within Intown were 9 percent of the total cases filed during the reporting period. All these factors combined has had a positive effect on the downtown area and on the reduction of deteriorating and deteriorated structures and blight.

## **SUMMARY**

Planning staff has completed a review of the Intown CRA 15-Year Report and finds that it meets the criteria pursuant to Pinellas County Code Sec.38-61, which requires a summary and analysis of the overall performance of the Tax Increment Financing (TIF) revenues used for projects and programs in the CRA since 2005. Upon review staff believes County TIF contributions have been effectively utilized for planned projects and initiatives. The City acknowledges that the County's TIF contributions has played a critical role in the success and of the downtown and the growth in property values and the City and County will continue to collaborate on plan implementation through 2032.