

Staff Review

City of Clearwater's Community Redevelopment Trust Fund 15-Year Review

The City of Clearwater submitted to Pinellas County their Community Redevelopment Trust Fund 15-Year Review (Report) to establish the overall performance of the Tax Increment Financing (TIF) revenues used in connection with their Community Redevelopment Areas (CRA) from 2004 through 2018.

Pursuant to Pinellas County Code Sec. 38-62, which codified amendments to the City's Redevelopment Trust Fund, County staff's approval was conditioned on the following three performance criteria:

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.

(1) Performance of TIF Revenues:

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

Based on the 15-Year Report that the City submitted, TIF revenues that were collected outperformed the 2018 TIF projections that were indicated in the 2004 Redevelopment Plan. In both the original and expanded CRA areas, the actual tax roll valuations exceeds the 2018 projected tax roll valuation from the 2004 plan. In fact, the total actual valuation exceeds the projected valuation by \$134,740,471.

The 2004 Clearwater Downtown Redevelopment Plan included 30-year projections of tax increment revenue that are contained in Appendix Tables 1 and 2 in the 2018 TIF Report. Those projections included the total tax roll valuation and the total tax increment at 95% of taxes that would be received by the Clearwater CRA. The 2004 projections assumed a constant county and city millage rate, an average yearly increase in value of 1.42% and did not include any type of homestead or other exemptions.

On page 2, Table 1 of the Community Redevelopment Trust Fund 15-Year Review (Report) shows that since 2004, the Total Tax Roll Valuation of the CRA areas (original and expanded) has increased from \$157,877,040 to \$487,635,880, which is a 208% increase in Total Tax Roll Valuation since 2004.

(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 particular emphasis on use of TIF Funds in implementation?

Since the adoption of the 2004 Plan, the CRA has seen some major improvements to the downtown area. The 15-Year Report indicates significant progress has been achieved through property acquisition, a number of capital improvements, streetscape and transportation/mobility projects. A Summary Status Table of the 2004 Capital Improvements are found on page 7 of the 15 Year Report. The Table identifies 29 projects in varying stages (18 have been completed, 1 is still in the design phase, and 9 have been rescheduled to the 2018-2033 planning period).

In addition, TIF Funds have been used to provide incentives and investment in programs that support business development and employment opportunities. As a result, since 2004, the Report mentions that (on page #13) the downtown has added over 900 jobs in high-tech companies with a focus on cyber security and presently there are 1,261 businesses in the CRA that employ roughly 16,940 people.

(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.

During the 15-year period, the Report mentions that the CRA looked at a few key areas to determine how effective the implementation of the 2004 Redevelopment Plan has been at mitigating blight in downtown. Changes in resident population, vacancy rates, home ownership rates, codes enforcement and policing all contribute to the increase or reduction in blight. The Report includes data (found on pages 14-20) that shows the success of the CRA's blight reduction and illustrates the CRA's progress in implementing the 2004 Plan. The Demographic and Housing Section of the Report (page #14-17) shows that downtown has experienced a significant increase in population growth and an increase in home occupancy rates. Overall, the CRA has seen an increase in population and a reduction in vacancy along with increased codes enforcement and community policing. All of these factors combined has had a positive effect on the downtown area and on the reduction of blight. CRA staff has included additional supplemental information (*See Attachment 2 Clearwater CRA TIF Appendix Table-5*) that compares the most recent available Citywide vs CRA property values, population, housing units, codes enforcement cases and crime rates.

Summary:

Planning staff has completed a review of the City's 15-year Report and finds that it generally meets the criteria pursuant to Pinellas County Code Sec.38-62, 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 2004. 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 are looking forward to the implementation of the newly adopted 2018 Redevelopment Plan that was recently approved by the BCC.