




OFFICE OF THE COUNTY ADMINISTRATOR

M E M O R A N D U M

TO: Honorable Chairman and Members of the Board of County Commissioners

FROM:  Mark S. Woodard, County Administrator

SUBJECT: Community Redevelopment Areas – Past, Current & Emerging Board Policy

DATE: May 31, 2016

PURPOSE:

To provide a historical overview of the Board's approach in exercising its home rule charter authority under the Florida Community Redevelopment Act. Also discussed is an emerging shift in Board policy reflected in the two most recent CRAs established after the 2012 Economic Impacts of Poverty Report. Finally, the fiscal impact of existing and potential future CRAs receiving tax increment revenues. This information includes a discussion of the following:

1. Board policy adopted in 2002 for designating and funding Community Redevelopment Areas (CRAs) and a brief overview of CRAs prior to 2013;
2. A list of what projects are eligible for tax increment funds (TIF);
3. Impact on Board policy with approval of two recent CRAs in St. Petersburg and Lealman; and
4. An analysis of the historic and potential future fiscal impact of contributing County tax increment funds for existing CRAs and potential new CRAs.

Adopted Board Policy and CRAs Established Prior to 2013:

On July 23, 2002, the Board of County Commissioners (Board) adopted the attached policies on establishing community redevelopment areas (CRAs). The basic direction provided in these policies can be summarized as follows:

- They reinforce the Board's past practice of supporting CRAs in original downtown areas. Proposed CRAs in a "non-downtown" area can be considered, but must be justified in the Findings of Necessity Report.
- The Board may rescind or modify the redevelopment authority delegated to a specific municipality if there is a lack of sufficient progress in carrying out redevelopment activities in the CRA or there is no evidence of a good faith effort to implement the adopted CRA Plan. This could include rescinding County TIF contributions as long as they are not bonded to cover debt.

- The County may agree to contribute County TIF revenues to the redevelopment trust fund for the applicable CRA. For “non-downtown” CRAs, the County may pledge County TIF revenues based upon a unique set of conditions for that area and the special aspects of the applicable CRA Plan.
- The percentage of the County increment and the length of time that increment revenues will be committed may vary.

Prior to 2013, all of the CRAs in Pinellas County that receive County TIF revenues were situated in the historic downtown areas of several municipalities. These include the downtowns of St. Petersburg, Gulfport, Pinellas Park, Largo, Clearwater, Dunedin, Safety Harbor, Oldsmar, and Tarpon Springs. While the Board approved some CRAs in “non-downtown” areas (e.g. Clearwater-Largo Road in Largo, the Dome Industrial Park in St. Petersburg, and 49th Street Corridor in Gulfport), none of these CRAs has received County TIF funds.

The primary focus of the adopted plans for revitalizing the approved CRAs were investments in the physical environment, whether that included public infrastructure (e.g. streetscape improvements and public parking), commercial and residential façade grants to improve buildings and structures, land acquisition for improvement projects, and support for development of affordable housing.

Projects Eligible for Tax Increment Financing (TIF) Revenues

Over the years, as CRA plans were developed and adopted, Board policy was established on the types of projects and programs that County and City TIF revenues could fund. Attached is the list of the types of projects that are eligible for funding with County and/or City TIF revenues – last updated in June 2014. This list is provided to municipalities as they begin developing a CRA Plan so they are aware upfront what are, and are not, acceptable projects for funding with TIF dollars. This list includes using County TIF revenue for funding public libraries as an acceptable use for these tax dollars. At the time this was added to the list, the City of Safety Harbor had been discussing with County staff the desire to use County TIF revenue for expanding the City library. The final adopted updated CRA Plan for the City, however, did not include expansion of the City library and this expansion was subsequently completed using other funds. There is, therefore, no history of using tax increment revenues for public library facilities, and based on Board discussion at the February 16, 2016 work session, libraries will be removed from the list of facilities that can be funded with County TIF revenues.

CRAs Established After 2012

In October 2013, the Board established the South St. Petersburg CRA and in June 2015 approved the CRA Plan for this area and approved establishment of a redevelopment trust fund to help finance implementation of the Plan. The Board, in June 2015, established the Lealman CRA and it is anticipated that the CRA Plan for Lealman will be considered for adoption by the Board in June 2016 along with a request to establish a redevelopment trust fund. Both of these CRAs are located outside of a traditional

downtown but are located in areas of significant economic and social distress as documented in the *2012 Economic Impacts of Poverty Report* prepared by Pinellas County. These two areas clearly meet the criteria for being declared blighted under the statutory authority of Florida Community Redevelopment Act. In establishing these two CRAs, the Board heralded an expansion of their historic preference for funding CRAs in downtown areas to now include communities that suffer from the insidious and generational impacts of poverty. Understanding that, in these distressed areas, the need to invest in people is as, or even more, important than investing in the physical environment, the CRA Plan for South St. Petersburg and the proposed Lealman CRA Plan are placing a greater emphasis on programs that are "people-based".

Fiscal impact of contributing County tax increment revenues for existing and potential future CRAs

Attached is a table showing the amount of County tax increment funds that have been provided to each CRA with a redevelopment trust fund since the fund was established. This table also projects future County TIF payments from FY17 through the expiration of each particular CRA redevelopment trust fund along with the sum total of County TIF payments since the inception of that trust fund. At the request of the Board, County staff have identified potential future CRAs on the barrier islands and associated with the "at-risk" communities discussed in the *Economic Impacts of Poverty Report*. The table also projects the estimated County TIF payments over a 30-year period should CRAs be established for each of these areas.

Also attached are two graphs. One graph displays the projected change in tax increment value through FY46 for four different groups of CRAs: current CRAs excluding South St. Petersburg and Lealman; South St. Petersburg and Lealman; other potential target areas (Highpoint, Clearwater-Largo Road Expanded, Lake Bellevue, North Greenwood, and Tarpon Springs Union Academy); and Beach Communities including St. Pete Beach. The second graph compares the total projected tax increment value of all existing and potential future CRAs as a percent of the projected total Countywide taxable value. This percentage is shown in the red line on the graph.

Attachments:

1. Pinellas County Policies on Establishing Community Redevelopment Areas - 2002
2. Eligible Projects for Tax Increment Financing Revenues – Updated June 2014
3. Table of Past and Potential Future County TIF Payments
4. Graph of Current and Future Potential CRA Increment Values
5. Graph of Total Potential Increment Value as a Percent of Total Countywide Taxable Value
6. Map of Existing CRAs in Pinellas County
7. Map of Existing CRAs in Pinellas County That Receive TIF

PINELLAS COUNTY POLICIES ON ESTABLISHING
COMMUNITY REDEVELOPMENT DISTRICTS AND
REDEVELOPMENT PLANS/AMENDMENTS

COUNTY POLICY:

The following statements are policies adopted by the Board of County Commissioners, on July 23, 2002, for designating and funding "Downtown" and "Non-Downtown" Community Redevelopment Districts:

- a) Designate only that area of the proposed district that is commensurate with the original downtown of the respective local government. Proposed boundaries of districts that are of a "non-downtown" nature must be justified in the Findings of Necessity Report.
- b) Delegation of and authority for certain community redevelopment powers, a district redevelopment plan, and a redevelopment trust fund would be considered and would be authorized if they meet the criteria of the Community Redevelopment Act (Fla. Stat. §163.330-§163-450), as amended, and are consistent with applicable comprehensive plans and programs. The County may rescind or modify the delegation authority if there is a lack of sufficient progress to carry out the redevelopment activities or a good faith effort to carry out the redevelopment activities is not evident. County tax increment revenues will not be rescinded if pledged to cover bonded debt.
- c) A brief progress report of redevelopment activities with a statement of accomplishments and budget will be required on an annual basis, and will be reviewed against the approved district redevelopment plan and associated amendments.
- d) The County may agree to pledge tax increment revenues to the trust fund for the applicable district. For "non-downtown" redevelopment districts, the County may pledge tax increment revenues to the trust fund for the applicable district based upon a unique set of conditions for that area and the special aspects of the applicable plan. The percentage of County increment revenues and the length of time of pledging County increment revenues may vary depending on the financial analysis of the approved district redevelopment plan. This action does not preclude the municipality from pledging municipal tax increment revenues to the trust fund.
- e) Local Community Redevelopment Agencies are encouraged to seek other funding mechanisms, including, but not limited to, grants, loans, and donations.

COUNTY AUTHORITY:

According to Fla. Stat. §163.410, in a county, which has adopted a home rule charter, the governing body of the county has exclusive powers to carry out redevelopment activities under the Act. However, such powers may be delegated, by resolution, to a governing body of a municipality to exercise redevelopment powers within their respective municipal boundaries.

NOTICE REQUIREMENTS:

Public notices on proposed action, as outlined in Fla. Stat. §163.346, shall include: 1) notices pursuant to Fla. Stat. §166.041(3); and 2) at least 15 days prior to such proposed action, notices shall be sent by registered mail to each taxing authority which levies ad valorem taxes on taxable real property contained within the CRA district.

APPLICATION OF TAX INCREMENT FINANCING FUNDS
IN COMMUNITY REDEVELOPMENT DISTRICTS
WITHIN PINELLAS COUNTY

ELIGIBLE PROJECTS FOR TAX INCREMENT FINANCING (TIF) REVENUES:

Any project funded by moneys from a redevelopment trust fund must meet the requirements of Section 163.387(6), F.S.* The project must also be addressed in the CRA Plan as an element to implement the Plan in order to mitigate the slum/blighting conditions of the District.

- 1) Capital Projects (“hard costs”) that may be funded by COUNTY-contributed TIF meet the following criteria:
 - The project is an integral part of the redevelopment plan (Statutory) and has “district-wide” benefit (County policy) Examples of such projects include:
 - Streetscape improvements
 - Public parking facilities
 - Major/regional drainage improvements
 - Mobility improvements
 - Non-governmental public facilities (e.g. a library or Mahaffey Theater)
 - Brownfields environmental cleanup
 - Development of affordable housing
 - Trail improvements
 - “Soft Costs” that may be funded by COUNTY-contributed TIF:
 - Cost associated with Affordable Housing Program efforts and relocation assistance for displaced residents (County policy)
 - Planning/engineering/survey studies, and other professional services associated with capital project that would be funded by County-contributed TIF (Statutory)
 - Site acquisition (Statutory)
 - Commercial Façade Grants
- 2) Capital Projects and “Soft Costs” not eligible for funding by COUNTY-contributed TIF:
 - Marketing and Special Events expenses (Statutory)
 - General government operating expenses including operational costs of CRA office, that is, personnel costs and office administrative expenses (County policy)
 - Utility service costs, including irrigation water costs and electrical costs for special events and streetlights (Statutory)
 - Community policing (County policy)
 - Streetscape maintenance (Statutory)
 - Revolving loan fund (County policy)

- Undergrounding utility (electrical/telephone/cable) lines (County policy)
 - Residential assistance (facade) grants (County policy)
 - Construction of administrative buildings, police and fire buildings, unless taxing authorities concur (Statutory)
 - Economic Development Officer Program (County policy)
 - Projects that are or can be funded by an enterprise fund (e.g. sewer and potable water systems) (County policy)
 - Neighborhood Improvements such as:
 - Improvements to neighborhood streets and sidewalks
 - Streetlights on neighborhood streets
 - Neighborhood pocket parks
 - Local drainage
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- 3) Capital Projects (“hard costs”) that may be funded by CITY-contributed TIF meet the following criteria:
- Within established CRA boundaries (Statutory)
 - Is an integral part of the CRA Plan as an element to implement the Plan in order to mitigate the slum/blighting conditions of the District (Statutory)
 - Consistent with the provisions of §163.387(6), F.S.* (Statutory)
 - Projects that may be funded by COUNTY-contributed TIF
 - Neighborhood Improvements

“Soft Costs” that may be funded by CITY-contributed TIF:

- Cost associated with Affordable Housing Program efforts, such as relocation assistance (Statutory)
- Planning/engineering/survey studies, and other professional services associated with capital project that would be funded by TIF (Statutory)
- Site acquisition (Statutory)
- Community policing (Statutory)
- Business and residential assistance (facade) grants (County policy)
- Operational costs of CRA office, including personnel costs and office administrative expenses related to redevelopment (Statutory)
- Revolving loan fund (County policy)
- CRA Redevelopment Incentive Funding (County policy)
- Undergrounding utility (electrical/telephone/cable) lines (Statutory)
- Marketing and Special Promotional Events and Activities (County policy)

- 4) Capital Projects and “Soft Costs” not eligible for funding by CITY-contributed TIF:

- Utility service costs, including irrigation water costs and electrical costs for special events and streetlights (Statutory)
- Streetscape maintenance (Statutory)

- Construction of administrative buildings, police and fire buildings, unless taxing authorities concur (Statutory)
- Government operating expenses unrelated to the carrying out of the redevelopment plan (Statutory)
- A project that can be funded by an enterprise fund or other available funding source (County policy)
- Economic Development Officer Program (County policy)

* §163.387(6), F.S., discusses what moneys in the redevelopment trust fund may be spent on and requires that the expenditures be “directly related to financing or refinancing of redevelopment in a community redevelopment area pursuant to an approved redevelopment plan”. The statute goes on to list certain expenditures it deems appropriate. Expenditures like streetscape maintenance and utility service are not among those listed in the statutes.

Prepared by Pinellas County Planning Division

August 10, 2007

Updated April 4, 2009

Updated June 2014

PAST AND POTENTIAL FUTURE COUNTY TIF PAYMENTS

District	Base Year	Expires	TIF Payments to date	Total TIF Payments FY-17 to expiration	Total Expected TIF Payments over life of TIF
Existing					
Clearwater	1981*	2034	\$ 14,512,120	\$ 27,876,651	\$ 42,388,771
Clearwater I-A	2004	2034	\$ 927,565	\$ 684,370	\$ 1,611,935
Dunedin	1988*	2033	\$ 3,998,396	\$ 7,206,135	\$ 11,204,531
Gulfport	1993	2023	\$ 1,703,659	\$ 1,365,307	\$ 3,068,966
Largo	2000	2030	\$ 4,492,543	\$ 6,259,964	\$ 10,752,506
Oldsmar	1996	2026	\$ 3,092,416	\$ 3,910,340	\$ 7,002,755
Pinellas Park	1997	2020	\$ 12,800,512	\$ 6,959,010	\$ 19,759,522
Safety Harbor	1991	2022	\$ 2,874,994	\$ 2,018,662	\$ 4,893,656
Tarpon Springs	2000	2031	\$ 2,191,880	\$ 4,268,384	\$ 6,460,264
St. Petersburg InTown ¹	1981*	2032**	\$ 62,987,483	\$ 14,316,951	\$ 77,304,434
Bayboro	1988	2018	\$ 542,171	\$ 148,477	\$ 690,648
Intown West	1990	2021	\$ 2,284,963	\$ 2,741,223	\$ 5,026,186
New					
South St. Pete	2015	2045	\$ 201,990	\$ 35,926,740	\$ 36,128,730
Lealman	2016	2046	\$ -	\$ 49,489,826	\$ 49,489,826
Proposed/Potential					
St. Pete Beach ^{2,5}	2016	2046	\$ -	\$ 56,415,243	\$ 56,415,243
Potential Beach CRA's ^{2,3}	2016	2046	\$ -	\$ 28,143,670	\$ 28,143,670
Potential Targeted CRA's ^{2,4}	2016	2046	\$ -	\$ 53,430,335	\$ 53,430,335
TOTAL			\$ 112,610,693	\$ 301,161,288	\$ 413,771,980

1. St. Petersburg Intown TIF Payments are projected to expire in 2018 in accordance with total spending limitations established by 2005 Interlocal Agreement (Total City and County TIF Payment of approximately \$117 million).

2. For the purposes of comparison, potential future CRA's assume base tax year of 2016

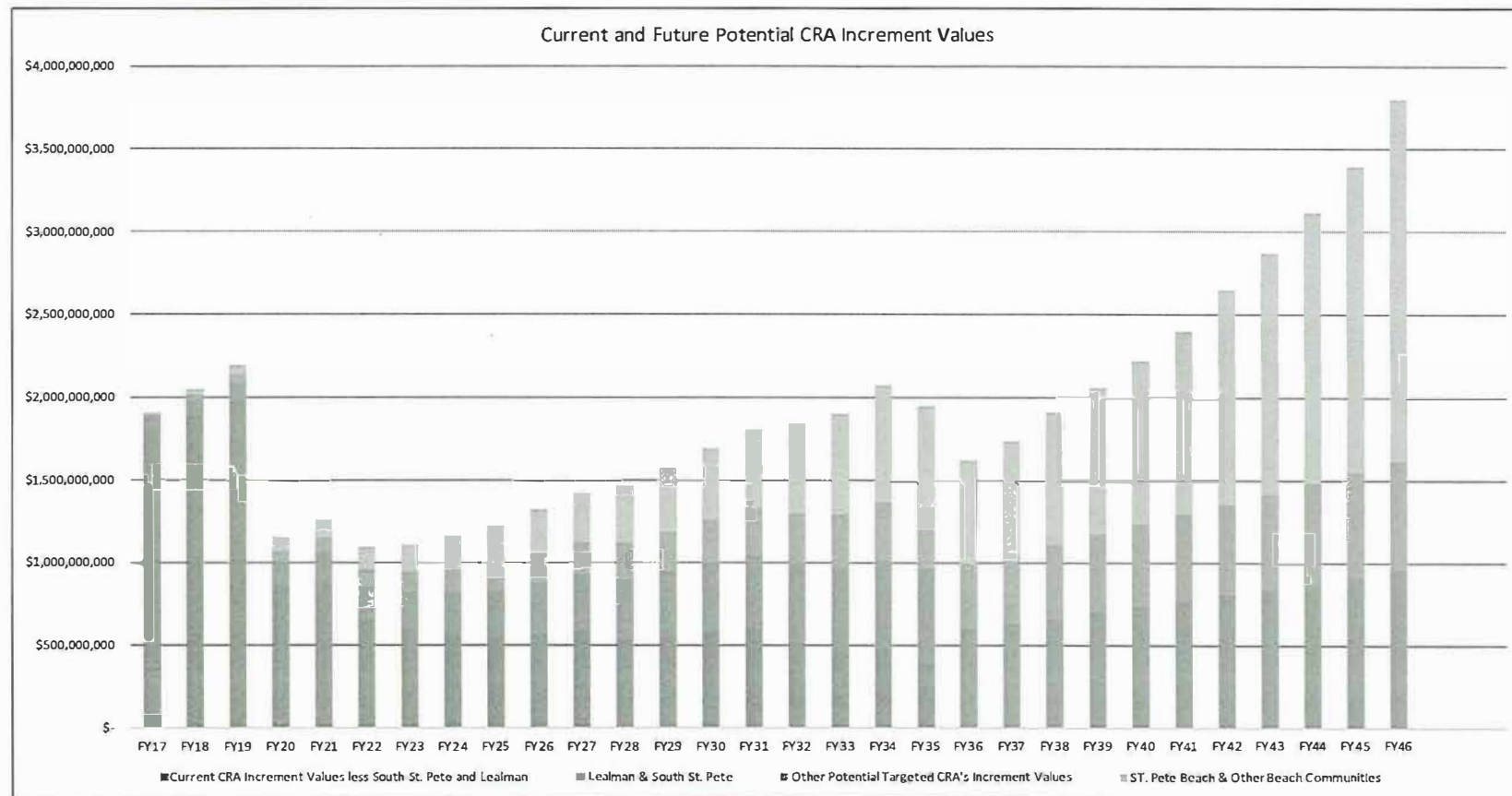
3. Potential Beach CRA's include Treasure Island, Madeira Beach and Indian Rocks Beach

4. Potential Targeted CRA's include Tarpon Springs (expansion), Clearwater-Largo Road, Lake Bellevue, North Greenwood and Highpoint.

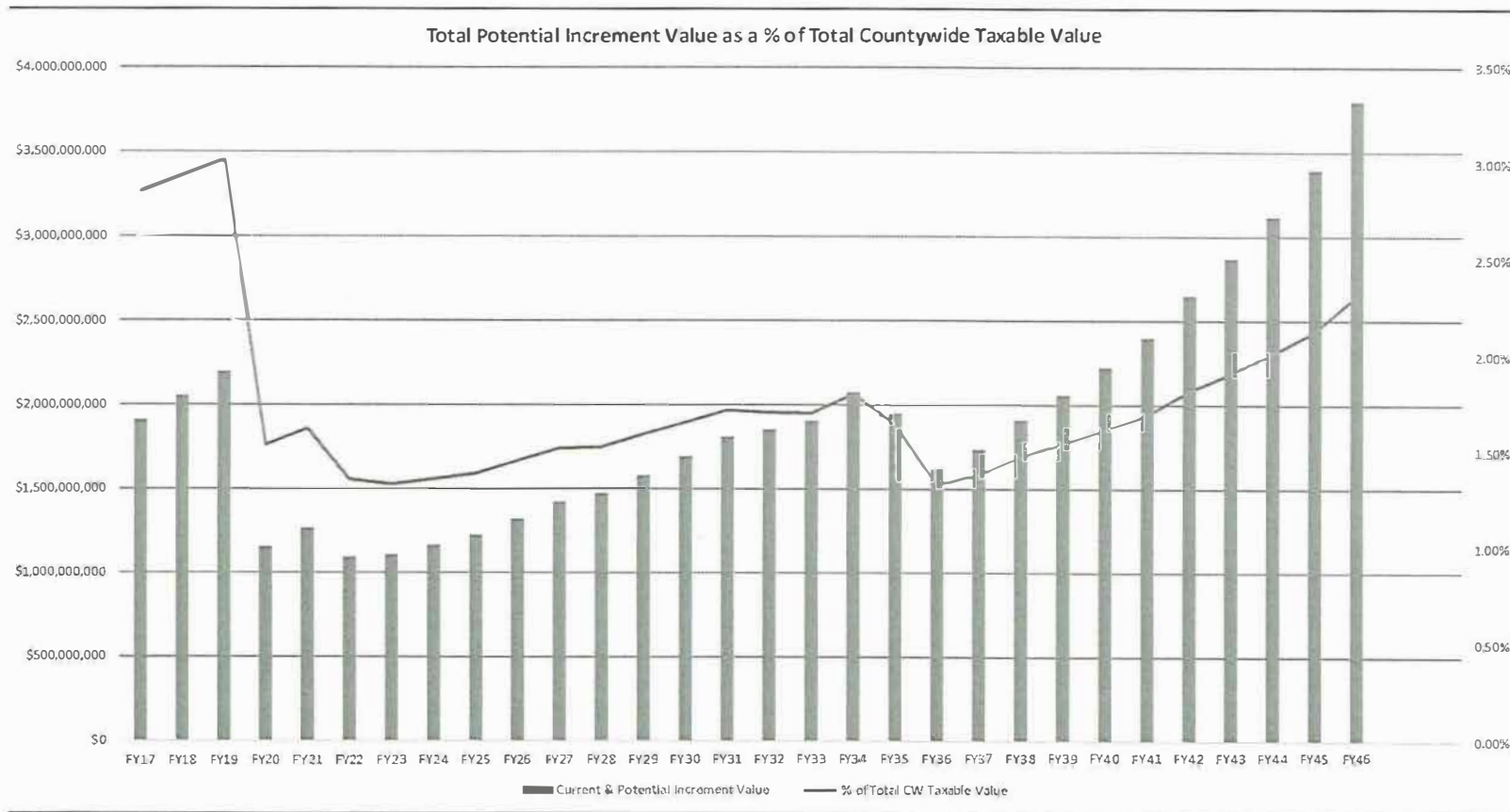
5. St. Pete Beach estimate based upon proposed CRA Plan withdrawn from consideration by the City, April 2016.

* Denotes TIF Districts that have been extended beyond original 30 year TIF

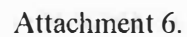
** County commitment to the InTown TIF is estimated to be met in FY18/19 before the scheduled 2032 sunset.



*The graph reflects the last year of the St. Pete Intown Increment as 2019, based upon total payment caps within the Interlocal Agreement.



*The graph reflects the last year of the St. Pete Intown Increment as 2019, based upon total payment caps within the Interlocal Agreement.





Attachment 7.

