

CRAs: Communities Working Together

June 18, 2009



Agenda

- What is redevelopment and what are Community Redevelopment Agencies (CRAs)
- What are the “Rules of Engagement”?
- What are some Best Practices?
- What is legal?
- Why do they work or not work?

How to Send a Question

- Use the 'chat' box on the “Go to Meetings” bar to send the moderator a question or discussion point
- Your call should NOT be on speaker phone – in case the mute feature does not engage – thank you.

What is Redevelopment?

In Florida, it is activities that follow Chapter 163, Part III.

In Florida, it revolves around a publicly customized plan funded by tax increment.

Why Can Redevelopment Be Controversial?

The redevelopment mission under Chapter 163, Part III is for government to invest public funds into private enterprises to ultimately increase the tax base.

(And, yes, it can involve lots of money that is locally generated.)

“What controversy?”

As with most municipal issues, a sound bite could lead to misunderstandings by citizens who don't hear the rest of the story. (“for a limited period of time, to eradicate slum and blight, to sustain quality of life...that all ships float with the rising tide, that the plan is developed by the people of a community tailored to their needs and desires, we do this for our community's future”)

How is a CRA Created?

Its All Local

- **Notices and Public Meetings**
- **Finding of Necessity and Mr. Webster**
- **Establish Board**
- **Create Trust Fund**
- **Adopt Redevelopment Plan**
- **No state approval required, just reporting**

What is a CRA? Agency or Area...Yes

- **BD Members appointed by local government**
- **Dependent Special District**
- **Elected or appointed people**
- **May have multiple CRA districts**
- **Law says one CRA Board w some exceptions**

What is a Redevelopment Plan?

A BLUEPRINT

- **Board In Charge**
- **Addresses unique customized needs**
- **Overall goals**
- **Specific projects**
- **Incentives for private business**
- **Living document can be amended w/o limit**

What is Tax Increment Financing?

LONG TERM SEED \$

- Revenue level frozen for city/co
- Increase each year in property VALUES is “increment”
- 95% sent to CRA
- County and city write check annually
- Can be loaned, earmarked, bonded – it’s the leveraging!

Sometimes the Reality

- Why does it still look the same?
- You are just trying to make my taxes go up!
- You are wasting my money on plants!
- These projects would have happened anyway!
- You are pro – any development!
- There is nothing wrong with our town!

What Can the CRA Legally Do?

- Acquire and hold property
- Give incentives to private sector
- Demolish buildings, fund new buildings
- Dispose of property at FAIR VALUE
- Develop property (eg. housing, commercial)
- Install, Construct, Repair

*Streets, Parks, Utilities, Playgrounds,
Voluntary or compulsory repair, Rehab
(Code Enforcement)*

What is Generally Not Legal (check with your attorney)

Trust fund money for any project, program, donation, sponsorship, grant that is not expended in the area and is not clearly in the redevelopment plan.

Exceptions by inter local agreement only

What is Legally Not Appropriate

Chapter 163, PART III. F.S.

- **Public buildings (unless by inter local agreement)**
- **Installation, construction, repair or alteration of publicly owned capital improvements if the projects are normally funded by the governing body or user fees**
- **Any project which would be funded within 3 years under any existing CIP or Funding Plan**
- **General government operating expenses unrelated to the community redevelopment plan**

What To Do First (Best Practices)

- **Appoint one person to be responsible**
- **Allow them the leeway to do what**
 - **needs to be done.**
- **Look for projects that are highly visible**
- **Seek monetary partners/grants**
- **Assign Liaison between City and**
 - **Developer/Owners**
- **Implement New Aesthetic Regulations**
- **Encourage Code Enforcement**

What To Do Next (Best Practices)

- **Promote accomplishments**
- **Network, Network, Network**
- **Look at other planning needs**
- **Implement changes needed to prepare for projects**
- **Learn about what it takes to implement the projects you want**

December 31 Trust Fund Money Rule

“Funds left on December 31 shall be:

Returned to the taxing authorities OR

Used to reduce debt OR

Escrowed for reducing debt later OR

*Appropriated to a specific project contained in the
CRP that will be completed within three (3) years”*

Step Back & Agree On The Need

- **Redevelopment Benefits Everyone**
- **It takes a long time, be patient, immediate results are rare**
- **Planning, inter local agreements, communication and consensus are critical**
- **Each area is unique**

Why Do CRAs Succeed?

- **Leadership** – the kind that reaches out to others and uses power to work the partnerships
- **Vision** – not the kind that you get from a charrete
- **Three P's: Persistence, Passion, Power**
- **Community support and trust**
- **PARTNERSHIPS**
- **Empower groups with sweat equity**

Best Practices

- **Update Plan every 5 yrs / set goals**
- **CRA and Commission/Council separate**
- **File all annual reports – special district, audit, CAFR and local report to taxing entities**
www.redevelopment.net

More Best Practices

- Remember the plan is just the beginning, must be dynamic (why not carry a copy w you?)
- Establish goals, actions and tasks, who will do what by when, within the plan to track progress
- Understand your market and know development costs

The Future

- Use inter local agreements to outline who pays for what, when, how and why
- A cooperative instead of confrontational approach must be used
- Dialogue, not monologue
- Changes to the Redevelopment Act that are creative, not punitive, must be explored

Questions?

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(a few) Resources

Florida Redevelopment Association

Carol Westmoreland

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www.redevelopment.net

Florida League of Cities

www.flcities.net

Urban Land Institute

www.uli.org

International Council of Shopping Centers

www.icsc.org

Smart Growth

www.smartgrowth.org

Thank You!

- The Florida League of Cities appreciates your participation
- Please check the FLC web site and Datagram for more webinars – a different topic each month
- Quarterly sessions for ‘newly-elected’ and ‘newly-appointed’
- *www.flcities.com*

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