



# COMMUNITY REDEVELOPMENT

---

Policy for Establishing New Community  
Redevelopment Areas

February 28, 2013

# Creating a New CRA

## **County Council delegates the power to create a CRA**

1. City requests delegation and provides a blight study
2. County delegates the power to create the CRA with conditions
3. City creates CRA Board and trust fund
4. Base tax year is established for Tax Increment Financing (TIF)
5. CRA redevelopment plan is approved by CRA
6. CRA provides annual reports to County

# Five Potential New CRAs

1. Deltona
2. Edgewater
3. New Smyrna Beach
4. Orange City
5. Ormond Beach

# General Policies

## Definition of blight

- Florida Statute outlines criteria

## Modification / addition

- District shows declining property values over 5 years
- Property value decline is distinct
- Property Appraiser provides analysis and recommendation to County Council

# General Policies

## Approval of CRA Plan

- Approved by CRA board
- Defines how CRA will further county's goals\*
- Specifies frequency of CRA Plan updates\*

## Modification / addition

- County Council approval of CRA Plan and amendments or updates
- CRA Plan to define district goals and measures for return on investments

\* 2010 changes

# General Policies

## CRA Term and Base Year

- Specific sunset date set depending on CRA Plan and bonds\*
- Base year at approved date

## Modification / addition

- Ten year term; may have option to renew for 20 year max
- Base year set at next assessment following approval

*\* 2010 changes*

# CRA Expenditures

## Allowable expenses

- County contribution restricted to specific projects or expenditures as defined in the CRA Plan\*
- Limits allowed for administrative and non-capital costs\*

## Modification / addition

- County contribution for capital only
- No county contribution to capital for utility projects
- Non-capital and administrative expenses limited to 5% of city contribution
- Debt pre-approved by County Council

*\* 2010 changes*

# CRA Revenues

## Contributors and contributions

- Identified taxing authorities\*
- County millage rate may not exceed city's rate\*
- Ceiling on county contribution or defined scale\*

## Modification / addition

- County contribution of General Fund only
- Increment equals CRA property value **greater than** the base value adjusted for general growth

\* *2010 changes*



## Formula Applied Year 1 Forward

### Formula A

County Value % Change		CRA Taxable Value	CRA % change	County Rate Change	CRA Increment	CRA Payment	County Retention	County Retains
<b>CRA Base Year</b>		<b>200,000,000</b>						
Year 1	3.0%	220,000,000	10.0%	206,000,000	14,000,000	\$ 74,480	6,000,000	\$ 31,920
Year 2	2.5%	226,600,000	3.0%	211,150,000	15,450,000	\$ 82,194	11,150,000	\$ 59,318
Year 3	-3.0%	217,536,000	-4.0%	204,815,500	12,720,500	\$ 67,673	4,815,500	\$ 25,618
Year 4	3.0%	228,412,800	5.0%	210,959,965	17,452,835	\$ 92,849	10,959,965	\$ 58,307
Year 5	3.0%	242,117,568	6.0%	217,288,764	24,828,804	\$ 132,089	17,288,764	\$ 91,976
Year 6	3.0%	244,538,744	1.0%	223,807,427	20,731,317	\$ 110,291	23,807,427	\$ 126,656
Year 7	4.0%	254,320,293	4.0%	232,759,724	21,560,569	\$ 114,702	32,759,724	\$ 174,282
Year 8	4.0%	267,036,308	5.0%	242,070,113	24,966,195	\$ 132,820	42,070,113	\$ 223,813
Year 9	4.0%	280,388,124	5.0%	251,752,917	28,635,206	\$ 152,339	51,752,917	\$ 275,326
Year 10	4.0%	294,407,530	5.0%	261,823,034	32,584,496	\$ 173,350	61,823,034	\$ 328,899

## Formula Applied Year 6 Forward

## Formula B

County Value % Change	CRA Taxable Value	CRA % change	County Rate Change	CRA Increment	CRA Payment	County Retention	County Retains
<b>CRA Base Year</b>	<b>200,000,000</b>						
Year 1 3.0%	220,000,000	10.0%		20,000,000	\$ 106,400	-	\$ -
Year 2 2.5%	226,600,000	3.0%		26,600,000	\$ 141,512	-	\$ -
Year 3 -3.0%	217,536,000	-4.0%		17,536,000	\$ 93,292	-	\$ -
Year 4 3.0%	228,412,800	5.0%		28,412,800	\$ 151,156	-	\$ -
Year 5 3.0%	242,117,568	6.0%		42,117,568	\$ 224,065	-	\$ -
Year 6 3.0%	244,538,744	1.0%	223,807,427	20,731,317	\$ 110,291	23,807,427	\$ 126,656
Year 7 4.0%	254,320,293	4.0%	232,759,724	21,560,569	\$ 114,702	32,759,724	\$ 174,282
Year 8 4.0%	267,036,308	5.0%	242,070,113	24,966,195	\$ 132,820	42,070,113	\$ 223,813
Year 9 4.0%	280,388,124	5.0%	251,752,917	28,635,206	\$ 152,339	51,752,917	\$ 275,326
Year 10 4.0%	294,407,530	5.0%	261,823,034	32,584,496	\$ 173,350	61,823,034	\$ 328,899

# Recommendation Summary

- Blight finding ~~will include a review of~~ includes demonstration of a distinct pattern of declining property values over the prior 5 years.
- The Property Appraiser will provide analysis and recommendation to the County Council.
- County Council approves the CRA Plan as adopted, amended and updated.
- The CRA Plan will define goals and measures for return on investments.
- CRA will be for a ~~ten~~ **maximum 20** year term ~~with an option to extend to a 20 year maximum.~~
- The base year for the CRA will be set at the assessment following County Council approval of the delegation.

*Red text and strikethrough reflects Council changes.*

# Recommendation Summary

- CRA will submit an annual report with associated budget, project status as outlined in CRA Plan, and changes in property values.
- The County contribution will be for capital only.
- The County contribution is not for utility projects.
- Non-capital and administrative expenses are limited to 5% of the city contribution.
- County Council will pre-approve debt.
- County contribution will be from the general fund only.
- The increment calculation will be based on the increase in CRA property value greater than the base value adjusted for general growth.

*Red text and strikethrough reflects Council changes.*

# COUNCIL DIRECTION

---