







CRA BACKGROUND

- 1998 interlocal agreement created the Eatonville Community Redevelopment Agency (CRA)
- The purpose of the CRA was for roadway, infrastructure and other improvements in the Town
- CRA boundaries included the entire Town of Eatonville



CRA BACKGROUND

- CRA funding is derived by growth in property taxes over the "base year"
- Base year for Eatonville's CRA is the 1996 tax roll



CRA BACKGROUND

- 1996 taxable value = \$49.9 million
- 2004 taxable value = \$89.2 million
- Growth since inception = 79%





CRA BACKGROUND

- All taxing authorities are required to make tax increment payments to CRA trust fund by January 1 of each year
- Payments equal 95% of the growth in property taxes over base year
- Funds are to be used to carry out the purpose of the CRA plan



PAYMENT HISTORY

(in thousands)



<u>FY</u>	<u>County's Payments</u>
1998	\$ 10.4K
1999	12.8K
2000	22.7K
2001	50.9K
2002	71.5K
2003	136.8K
2004	<u>156.5K</u>
Total	\$461.6K



CRA BACKGROUND



- March 2003 – Legislative Auditing Committee directed Auditor General to conduct an audit of Eatonville
- Audit included CRA
- Operational audit published April 2004
- Six findings and recommendations related to CRA





ORANGE COUNTY



- CRA Background
- Auditor General Report
- Proposed Modifications
- Actions Requested



AUDITOR GENERAL FINDINGS & RESPONSES



- *Finding: Town made no annual contribution into trust fund between 1996 and 2003. Town owes \$515,964 including penalties and interest as of August 2003.*



AUDITOR GENERAL FINDINGS & RESPONSES

- **Response:**
 - Initially adopted an outstanding debt repayment schedule in 2003
 - Town contributed \$14,469 for 2003
 - Credits of \$252,254 have been taken for Town staff work performed for CRA related activities between 1996 and 2003
 - Town is now requesting County to waive its right to enforce past increment payments and related interest and penalties



AUDITOR GENERAL FINDINGS & RESPONSES



- *Finding - Town should determine the legality and appropriateness of compensation arrangements for transferred positions.*



- **Response - Town concurs. Town and CRA Board reviewed the transferred positions to determine legality and appropriateness and has made adjustments.**



AUDITOR GENERAL FINDINGS & RESPONSES

- *Finding - Town should ensure expenditures of CRA are properly authorized, supported and expended in accordance with the CRA Plan and Section 163.370, FS.*
- **Response - Town concurs and has endeavored to follow good business practices by establishing policies and procedures to ensure expenditures approved by the Board are properly supported and documented prior to payment.**



AUDITOR GENERAL FINDINGS & RESPONSES

- *Finding - No record of CRA modifications or locally adopted resolutions with the State.*
- **Response - CRA has filed annual status reports and redevelopment plan modifications with State DCA, Florida Redevelopment Association, and Orange County and will continue to do so.**





AUDITOR GENERAL FINDINGS & RESPONSES



- *Finding - Town should ensure that independent financial audits of the CRA are timely conducted and that copies of the audit reports are distributed to each taxing authority.*



- *Response - Town concurs. CRA has filed all required previous audits and will continue to comply.*



AUDITOR GENERAL FINDINGS & RESPONSES



- *Finding - Between FYs 1998 and 2002 and in FY 2004, there was no recording of an adopted annual CRA budget for Eatonville.*



- *Response - CRA has adopted budgets for FYs 2004 and 2005. The FY 2005 adopted CRA budget reflects the recommended change in CRA trust fund contribution formula.*



PROPOSED MODIFICATIONS

1. Enter into a revised interlocal agreement to address current issues with CRA
2. Consider Eatonville's request to waive past payments and related interest and penalties
3. Create a long-range project plan



PROPOSED MODIFICATIONS

- **New interlocal agreement**
 - Requires Town to provide written documentation to County that Town has made its required deposit to Trust Fund
 - Terminates County's financial obligation in the event the Town fails to make their required contribution
 - Places an annual cap on the increment payments for both the Town and County
 - Allows the BCC to appoint a member to CRA board



PROPOSED MODIFICATIONS

- Per Statute, penalty equals 5% of unpaid increment plus 1% interest for each month increment is outstanding
- Gray/Robinson found County as only party with standing to require payment of past tax increments and related penalties and interest, and that Statutes do not preclude County from waiving rights to enforce collection
- Town requests BCC to waive its rights to enforce collection of past tax increments and related penalties and interest.



PROPOSED MODIFICATIONS

- **Recommended Long Range Project List**

<u>Project</u>	<u>2005-2015 Total</u>
Town Center	\$222K
Welcome Signs	66K
Ornamental Lighting	32K
Core Design Standards	18K
S. Lake Destiny Dr. Extension	275K
Revolving Loan Program	84K



PROPOSED MODIFICATIONS

- Recommended Long Range Project List (Cont)

<u>Project</u>	<u>2005-2015 Total</u>
Infrastructure Improvements	\$470K
Parking Lots	120K
Land Acquisition	200K
Widening of N. Wymore Rd.	215K
Administration	<u>848K</u>
Total	\$2.5 Million



ACTIONS REQUESTED

- Approval of County Chairman or designee to execute the amended and restated Orange County/Town of Eatonville/Eatonville Community Redevelopment Agency Interlocal Agreement, and
- Approval of the Town's request to waive the County's right to enforce the Town's increment payments and related late fees and interest penalties relating to the period 1997 through 2003 contingent on successful performance under the amended interlocal agreement and to the extent allowed by law.