



STAFF REPORT

CITY OF GREEN COVE SPRINGS, FLORIDA

TO: City Council **MEETING DATE:** April 14, 2022

FROM: Michael Daniels, AICP, Planning & Zoning Director

SUBJECT: Approval of Resolution No R-XX-2022, a resolution adopting a Finding of Necessity study regarding Community Redevelopment; finding the existence of slum and blight in an area of the City of Green Cove Springs, Florida; making certain findings and determinations; finding a need for creating a Community Redevelopment Agency. *Michael Daniels*

BACKGROUND

In February of 2022, the City Manager presented the City's proposal to develop a Community Redevelopment Area (CRA) within the City of Green Cove Springs to the Board of County Commissioners. As a result, of the discussion at the Board meeting, City staff has put together a statutorily required Finding of Necessity determination regarding the existence of slum and blight within the downtown and US 17 Corridor sections of the city.

The objective of the creation of a CRA is to revitalize slum and blighted areas through fostering new development, providing necessary infrastructure, creating job opportunities, and focusing public investment within the Community Redevelopment Area (CRA) to stimulate additional private investment. The creation of a CRA creates an additional funding source for infrastructure through the use of Tax Increment Financing.

Tax increment financing is a unique tool available to cities and counties for redevelopment activities. It is used to leverage public funds to promote private sector activity in the targeted area. The dollar value of all real property in the CRA is determined as of a fixed date, also known as the "frozen value." Taxing authorities, which contribute to the tax increment, continue to receive property tax revenues based on the frozen value. These frozen value revenues are available for general government purposes. However, any tax revenues from increases in real property value, referred to as "increment," are deposited into the Community Redevelopment Agency Trust Fund and dedicated to the redevelopment area. It is important to note that taxes collected through special districts such as the School Board or Water Management District are not affected by the creation of a CRA.

The first task in the creation of a CRA is the preparation of a Finding of Necessity (FON) Report for the City and identification of the proposed CRA boundaries area to determine eligibility as a Community Redevelopment Area under Chapter 163 Part III, Florida Statutes.

The next task is to submit the following items to the Board of County Commissioners for their permission to create a CRA:

- Finding of Necessity Report
- Types of Redevelopment Activities (specific projects identified in the Downtown Master Plan)
 - Streetscapes
 - Roadway Improvements

- New Building Construction
 - Flood Control Initiatives
 - Water and Sewer Improvements
 - Parking Lots and Garages
 - Neighborhood Parks
 - Sidewalks and Street Tree Plantings
 - Redevelopment Incentives
 - Grants and Loans for Façade and Sign Improvements
- **Projected Economic Effect of the CRA at Build Out**
 - Pursuant to the CRA Impact Study executed by the Florida Redevelopment Area (FRA) there are \$19 in private investment for every \$1 of public funds invested within CRA's.
 - Creating a CRA would not result in losing or giving up funds, instead funds are redirected the CRA trust fund to be spent on applicable infrastructure projects within the district boundary.
 - It is anticipated that the CRA will promote commercial, residential, and mixed-use development projects within the CRA boundaries. It will also trigger and accelerate development outside the CRA in the adjacent city limits and in the unincorporated areas of Clay County that surround the greater Green Cove Springs area.
 - **Proposed Timeframe for the Tax Increment Revenues**
The city is proposing 30 years for the Tax Increment Revenues, less than the 40 years allowed by Chapter 163. We anticipate that it will span FY 2023- 2053.
 - **Projected Revenue**
A projection of incremental ad-valorem revenues covering a 30-year period beginning in Fiscal Year 2023 through FY 2053 has been enclosed for illustration purposes. It estimates that that with a growth rate of 3%, an increment of \$18.9 Million could be generated within the district over a 30-year period and with a growth rate of 7%, an increment of \$36.1 Million would be generated. The taxing authorities contributing to the CRA would be the City of Green Cove Springs and Clay County.
 - **Composition of the CRA**
 - 2 members appointed by the city
 - 2 members appointed by the Clay County
 - City Council and the County Commission shall serve on the Board in addition to an at-large member.

FISCAL IMPACT

An estimated \$18.9 to \$36.1 Million could be generated within the proposed Community Redevelopment Area if said area comes to fruition.

RECOMMENDATION

Staff recommends approval of Resolution R-03-2022.

RECOMMENDED MOTION:

Motion to approve Resolution R-03-2022 and to submit a Finding of Necessity Report and Downtown Master Plan to the Clay County Board of County Commissioners (BOCC) in order for the BOCC to

delegate to the city the power to create a Community Redevelopment Area for the boundary of the City as set forth in Exhibit A of the Resolution.