

WORK SESSION

June 6, 2006

A Work Session of the Arcadia City Council on Arcadia Revitalization was held on June 6, 2006, at 4:00 p.m. in Room D of the Way Building, at 23 North Polk Avenue. Council Members attending were Heine, Johnson, Goodman, Whitlock and Fazzone. Also in attendance were Administrator Strube, Attorney Holloman, Grants Coordinator Steve Weeks, and Recorder Baumann.

Mayor Heine called the Work Session to order and stated that the purpose of the work session is to have a presentation on Community Redevelopment Agencies (CRA's)

Melissa Sanders, Long Term Recovery Coordinator introduced James H. Edwards, AICP, Urban Redevelopment Director, to the Council.

Mr. Edwards approached the Council as a volunteer, to discuss revitalization ideas and planning for the City. Mr. Edwards worked in Lakeland, Florida for thirteen years (13) and in Hollywood, Florida for five (5) years and is involved with the Florida Revitalization Association (FRA). He was also involved in the 1980 survey of Historic Buildings in DeSoto County and the City of Arcadia. His expertise is in the field of Urban Training and Design. Mr. Edwards presented a slide show to the Council of the downtown area of Arcadia. The presentation described assets of the City, the greatest asset being the historic buildings. He stated that Arcadia is a unique environment with many of the City buildings in the downtown in their original form. Mr. Edwards believes that Arcadia is one of the most intact downtowns in the state. He recommends that the 2nd and 3rd floor of these buildings be developed into residential units. Mr. Edwards indicates this is a growing trend with people returning to the cities and downtown areas to reside. He suggested that more trees providing shade be planted making the area more inviting to the pedestrian. He pointed out some buildings that needed repair or painting, but overall, felt the business had done a lot to improve. He suggested a nice addition to windows would be canopies. A slide showing Magnolia Street was then discussed. Although this is a major highway, Mr. Edwards presented suggestions to make this a more inviting area and welcoming to pedestrian traffic as well. He stated not all vacant buildings were a "bad thing". These could actually be used to attract new business. A few of the buildings had been refurbished and did not fit with the other historical buildings.

Mr. Edwards presented some ideas for bringing in revenue. A means for capturing future property tax revenues and using them today is called Tax Increment Financing or TIF. The current tax value is "frozen" as far as what the city would see in ad valorem taxes from the CRA, and the difference, any increase in value which creates an increase in ad valorem taxes would be turned over to the CRA. TIF's do not involve new taxes; it is just the increase in property taxes as the value of the property increases. This form of funding has been used in Florida since 1979. The revenue received from TIF's can be

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used to improve sidewalks, landscaping or even helping a private re-development project. In order to take advantage of TIF's, a Community Redevelopment Area (CRA) would have to be established. In order to create a CRA, there are a number of steps to be taken. The first thing would be to develop a plan. In addition to the plan, an area would need to be designated and boundaries set. Also, in order to concentrate on redevelopment without distraction of other community issues, a staff dedicated to CRA with TIF funding would be needed.

Goodman asked about using TIF's for housing and was informed that as long as the area was included in the area in your district (CRA) then you can use the TIF to buy land, build homes etc. It was noted that housing is now required to be in a CRA area.

Johnson asked what the results would be if a district in an area with little or no taxes was chosen. Edwards replied that it would be a slow increase and an area with business was needed as opposed to only housing. Johnson asked if Edwards had looked at the entire city. Edwards indicated he had.

Whitlock asked the limit for CRA completion and was informed it is forty (40) years. Administrator Strube asked about the time limit of the designated area and would TIF regenerate its value. Edwards suggested a consultant that was an expert in this area be involved in determining the best areas for a CRA.

Sam Morgan asked Mr. Edwards what an expert would really be determining. Would he be giving a complete study or just an overview? Edwards suggested getting someone that would follow the rules for designating a CRA. That expert would follow the Florida Statue 163.3. This person may or may not be the person to develop the plan but they would provide the areas that meet the state law.

Administrator Strube believes that using the 2nd and 3rd floor of buildings as a residence is a very good use. He then reported that new business are looking at vacant buildings and shopping centers in order to avoid paying impact fees which have recently been established.

Steve Weeks asks what happens if the tax base goes down in a designated area. Mr. Edwards said there would be no effect on property owners; however no revenue would be received from that area.

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Pastor Norris, from Shiloh Church asked how long before progress could be seen. Mr. Edwards replied that if an experienced and motivated person could get a future tax loan, then it would take at least a year to develop and adopt a plan.

Johnson asked if this was a good time to be going into this venture. Edwards replied it was a very good time.

Goodman asked if CRA's are eligible to apply for other grants, Mr. Edwards stated that they are. Fazzone asked if there would be competition between city and county to receive the TIF revenues to which Mr. Edwards said yes, the city and county would be in competition for the money. Goodman asked if Mr. Edwards was familiar with any CRA's close to our size and population that have done projects. Mr. Edwards answered that Sebring Florida has done house and street projects and he feels that Executive Director, Pete Pollard would be happy to share information with the Council.

Mr. Weeks stated that CRA's have to meet certain criteria in order to receive grants. Mayor Heine asked if having a CRA would cause a problem with the type grants that Mr. Weeks has been working on. Mr. Weeks indicated that CDBG funds are a different type of grant. He also explained that in order to get CRA grants, you must have the CRA in place.

Mr. Weeks asked what type of increase and over what period could the City expect to see, would it be \$50,000.00 or \$100,000.00? Mr. Edwards stated that you would be spending more money in the first few years then you would receive. Initial outlays would be more than the initial increase. The idea is that over time property values increase which would then put more revenue into the CRA.

It was noted that if the CRA was to receive a bank loan in order to begin doing projects and was unable to pay the loan back the City would then be responsible for repaying the loan.

Mayor Heine questioned Mr. Weeks as to how many houses had been approved resulting from the housing grants he is working on to which Mr. Weeks replied eighteen (18) homes. Mr. Weeks stated housing cost are very expensive and are now at \$100.00 a square foot and upwards.

Mayor Heine asked which program was best; CRA or CDBG to which Mr. Weeks stated that with a CRA grant if taxes increased, then you would get the increase if it was in a specific area.

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Johnson questioned Mr. Weeks about the difficulty getting contractors to build homes and how that would affect our grants. Mr. Weeks stated it would not have any effect unless we do not meet the time frame. Mayor Heine asked if getting modular homes are quicker and cheaper and was informed that they are. Mr. Weeks stated that the City has terminated relationships with the contractors that did not full fill their obligations. He has spoken with each of the clients and they will be getting modular units within the next two (2) months. The City will then provide the County with any monies that are remaining.

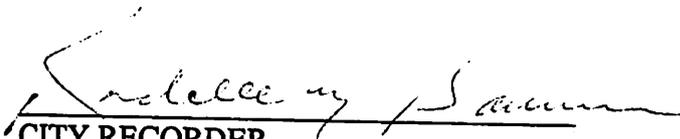
Fazzone asked about the status of the house on Osceola Avenue. Mr. Weeks stated it is almost complete. Fazzone asked if permitting for housing has increased to which Administrator Strube stated yes, noting that impact fees will not be in effect for six (6) months.

Goodman indicated she would like to speak with Pete Pollard from Sebring and others that have created a CRA. She indicates there is no quick fix for this issue and thanked Mr. Edwards for his presentation to the Council.

Administrator Strube asked Edwards for a "ballpark" figure for a professional firm to help with the CRA. Edwards indicated an initial overall plan would probably cost around \$25,000 and would only cover the cost to do a "finding of necessity study".

Reverend Norris made a plea for the South West community. He asked if there is some way that the City and County could get together to get some contractors. He indicated people need housing.

With no further questions, the Workshop was adjourned.


CITY RECORDER


PRESIDENT