



**FORT MYERS  
COMMUNITY  
REDEVELOPMENT  
AGENCY**

# **TAX INCREMENT REBATE GUIDELINES**

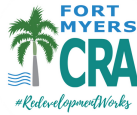
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# FORT MYERS COMMUNITY REDEVELOPMENT AGENCY

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## Overview

It is the intention of the Fort Myers CRA that all its redevelopment areas – Downtown, Central, MLK, and Cleveland – achieve the goals set forth in their respective redevelopment plans and eliminate slum and blight. It is also important that the CRA incentivizes the kind of redevelopment it desires in these redevelopment areas while fully complying with state law. To accomplish these dual objectives, the CRA may award, on a discretionary basis, tax increment rebates to projects it believes best assist these efforts.

These guidelines are designed to aid landowners and developers in deciding on projects that may qualify for an Increment Rebate (IR) if their projects are approved.

## What is TIF?

Tax Increment Financing (TIF) is a special tool available to local governments that can assist economic redevelopment which otherwise would not occur. When a redevelopment area is created, property owners within that district continue to pay the same property tax rates as those outside the district. However, as property values in that district increase over time from the date of its creation, up to ninety-five percent (95%) of the increased property taxes are placed into a special redevelopment trust fund to be reinvested in that district.

Because these monies are trust funds, there are strict statutory rules that apply to their use. For example, they can only be spent in the district from which they were generated. They can only be spent on items/projects that are specifically outlined in the redevelopment statute, Florida Statute 163, Part III, also known as the Community Redevelopment Act of 1969. There is a clear statutory preference that trust fund dollars be spent on “bricks and mortar” projects. Each district must account for its own funds separately. Any funds expended must be budgeted for by the CRA and justified by the redevelopment plan for that district.

## Increment Rebate (IR)

In certain instances, the CRA may determine that a project being developed within a redevelopment area of the City is worthy of sharing in some of the additional tax revenue that the project is expected to generate for the CRA over a period of years. This potential rebate of a percentage of the property tax revenue to be generated by the project is intended to incentivize the types of projects your CRA has outlined in its various redevelopment plans for its four CRA districts.

Because these potential rebates are to be used as incentives to spur desirable new redevelopment projects, they will not be awarded to existing projects that are either completed or already under construction. They may be awarded to projects that are still in the acquisition (conditionally), planning and permitting phases of development.

Increment Rebates are completely discretionary with the Board, and the application process for same creates no entitlement to a rebate of any amount. Moreover, any IR awarded is specific to the applicant and project presented to the Board and may not be assigned or monetized in any way by the recipient without the express approval of the Board at a public meeting, and thereafter reduced to writing in an appropriate manner as determined by the CRA.

## Purpose

The purpose of this Guideline is to articulate to existing or potential businesses the Fort Myers Community Redevelopment Agency's (CRA) desire to promote economic development that is consistent with the CRA's Redevelopment Plan(s) and provides a community benefit that will ultimately be shared by the taxing entities (City and County) impacted through the establishment of Redevelopment Area (RA).

Notwithstanding compliance with any or all the guidelines herein, the provision of Increment Rebate is a guideline choice to be evaluated on a case-by-case basis by the Community Redevelopment Agency Board of Commissioners (BOC). The burden of establishing the public value of TIF shall be placed upon the applicant and the application must substantially meet the criteria contained herein. The Community Redevelopment Agency staff will present the Increment Rebate request first to the CRA Advisory Board and then to the BOC's with a recommendation from the Advisory Board.

Guidelines and other criteria listed herein does not guarantee the provision of Increment Rebate (IR) assistance nor does the approval or denial of one project set precedent for approval or denial of another project.

## Process

The burden of proving that an individual project qualifies for receiving an IR is on the landowner or developer, and applications for same will be evaluated based primarily on the following mandatory criteria:

- Does the project assist in meeting a defined goal or goals of the redevelopment plan for the area in which the project is being proposed?
- Is the requested rebate supported by any of the enumerated, legal uses for Redevelopment Trust Fund monies as provided for under Florida Statute §§ 163.387(6)(c)(1-9) and further outlined as "necessary to exercise the powers granted under" Florida Statute § 163.370.
- Is the requested rebate the minimum amount required to make the project viable as determined by independent financial analysis?

Additional criteria which may be considered by the Board include:

- Will the project stimulate and continue revitalization of a redevelopment area by:
  - Improving infrastructure.
  - Creating a variety of housing opportunities to increase the number of residents.
  - Preventing or eliminating slum and blight conditions.
  - Constructing mixed-use developments.
  - Attracting desirable businesses and retaining existing businesses.
  - Encouraging development projects that enhance the streetscape and pedestrian experience and improve the vitality of the redevelopment area by adding interest and activity on the first floor of mixed-use buildings.
  - Promoting efficient usage of land through redevelopment of blighted areas.
  - Strengthening the economic base of the City and supporting economic development.
  - Stabilizing and upgrading targeted neighborhoods.
  - Creating and retaining family supporting jobs in the City.
  - Increasing property values and tax revenues.
  - Leveraging the maximum amount of non-city funds into a development and back into the community.

The amount of any rebate granted (typically expressed as a percentage of the projected property taxes assessed to the project upon completion) is left to the discretion of the Board as to its length in years and total amount granted.

The applicant is expected to have exhausted every other financial alternative prior to requesting an Increment Rebate, including equity participation, other federal and state funds, bonds, tax credits, loans, etcetera.

Prior to consideration of an IR request, the CRA will undertake - at the requestor's cost - an independent analysis of the proposed project to ensure the request for assistance is valid.

In requesting an Increment Rebate, the developer must demonstrate that there will be a substantial and significant public benefit to the community by eliminating blight, strengthening the economic and employment base of the City, positively impacting surrounding neighborhoods, increasing property values and the tax base, and/or creating new and retaining existing jobs.

Each project and location is unique and therefore every proposal shall be evaluated on its individual merit, including its potential impact on city service levels, the project's overall contribution to the economy and its consistency with the redevelopment plan for the area. Each project must also demonstrate the probability of financial success.

## What Development is Ineligible?

The CRA is prohibited from utilizing redevelopment trust funds for development outside the boundaries of the Fort Myers Redevelopment Areas. The CRA will also not permit IRs to projects already completed or under construction within a redevelopment area, as such projects do not require additional incentives.

## Eligible Costs

Costs eligible for Increment Rebate consideration must be justified under the Community Redevelopment Act, Florida Statute §§ 163.387(6)(c)(1-9) or as further outlined as “necessary to exercise the powers granted under” Florida Statute § 163.370.

These include:

- The clearance and preparation of any redevelopment area for redevelopment and relocation of site occupants within or outside the community redevelopment area as provided in s. 163.370.
- The development of affordable housing within the community redevelopment area.
- The development of community policing innovations.
- Demolition and removal of buildings and improvements.
- Installation, construction, or reconstruction of streets, utilities, parks, playgrounds, public areas of major hotels that are constructed in support of convention centers, including meeting rooms, banquet facilities, parking garages, lobbies, and passageways, and other improvements necessary for carrying out in the community redevelopment area the community redevelopment objectives of this part in accordance with the community redevelopment plan.
- Carrying out plans for a program of voluntary or compulsory repair and rehabilitation of buildings or other improvements in accordance with the community redevelopment plan.
- Construction of foundations and platforms necessary for the provision of air rights sites of housing (and related facilities and uses) designed specifically for, and limited to, families and individuals of low or moderate income.
- To provide, or to arrange or contract for, the furnishing or repair by any person or agency, public or private, of services, privileges, works, streets, roads, public utilities, or other facilities for or in connection with a community redevelopment; to install, construct, and reconstruct streets, utilities, parks, playgrounds, and other public improvements; and to agree to any conditions that it deems reasonable and appropriate which are attached to federal financial assistance and imposed pursuant to federal law relating to the determination of prevailing salaries or wages or compliance with labor standards, in the undertaking or carrying out of a community redevelopment and related activities, and to include in any contract let in connection with such redevelopment and related activities provisions to fulfill such of the conditions as it deems reasonable and appropriate.
- To hold, improve, clear, or prepare for redevelopment of any such property.
- To prepare plans for and assist in the relocation of persons (including individuals, families, business concerns, nonprofit organizations, and others) displaced from a community redevelopment area and to make relocation payments to or with respect to such persons for moving expenses and losses of property for which reimbursement or compensation is not otherwise made, including the making of such payments financed by the Federal Government.

## **Additional Considerations**

If an Increment rebated project is not completed within the allowed time, including permitted extensions, as determined by the Board in concurrence with the City's chief building official, the IR may be terminated by the Board in its sole discretion.

Extension requests may be subject to the following:

- 1- The IR previously awarded may be decreased in an amount equivalent to one annual payment for every 12-month extension approved.
- 2- The developer may be required to submit a new Increment Rebate application if the request includes substantial changes, i.e. an increase in unit count.

In the event the governor declares a "State of Emergency" the commencement/completion date in the Development Agreement will be automatically extended by one (1) year.

## **Application Information**

To apply for the Increment Rebate, follow this link: [Tax Increment Rebate Online Application](#)





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