



Alachua County Attorney's Office

Michele L. Lieberman, County Attorney

MEMORANDUM

TO: Commissioner Cornell, Chair
FROM: Michele L. Lieberman, County Attorney *ML*
DATE: December 9, 2016
SUBJECT: Eastside CRA

In response to your request for information regarding the CRA calculations for the City of Gainesville's Eastside CRA payment, I have reviewed the relevant statutory provisions and discussed the facts with County staff.

Pursuant to Section 163.387(1)(b)(1)(a), Fla. Stat., when a redevelopment agency, which was not created pursuant to delegation of authority from the County, petitions its municipal governing body to modify its redevelopment plan to expand the boundaries of an area after October 1, 2006, the County shall contribute to the municipal trust fund, for the expanded area, at the lower of the millage rates of the municipality or the County. The County staff was aware that the City had expanded the Eastside CRA, but having only received certification from the property appraiser of one expansion area, believed that this was the appropriate area for application of Section 163.387(1)(b)(1)(a).

In communicating the County's calculations to City staff on November 30, 2016, County staff requested that any corrections or disagreements be brought to County staff's attention so that the County could review and determine if the County had made an error. Further communication went to the City on December 1, clarifying the statutory basis for the calculation. On December 2, City staff informed County staff that the City believed there were errors. The County responded to City staff promptly requesting that the City provide its corrections and clarifications, but that if the City could inform the County of the calculations it was in agreement on then the County could promptly process those payments to the City while we worked the disputed calculations.

Based upon my review of the communications, at no time did County staff indicate that the County's calculations were final and County staff had every reason to believe that it would be receiving input from City staff and would amend the calculations accordingly. While County staff was waiting for City staff to provide the information necessary to correct any errors in calculation, City staff chose to bring the issue to the City Commission at its meeting of



December 8 stating that there had been a reduction in the amount to be remitted. While it appears from the meeting recording that the December 1 email was provided the City Commission, it is unclear whether the City Commission was provided the November 30 memorandum and follow-up emails. I have included these documents for your review.

The County now understands that there were, in fact, 3 expansions to the Eastside CRA—two of which occurred prior to October 1, 2006 and one which occurred after. The Property Appraiser certifies the parcels of the CRA upon which the County bases its calculations. In this case, the Property Appraiser certified two lists of parcels (the original area and a single expansion area), as opposed to four. In order to accurately calculate the tax increment, the County should receive four certified lists of parcels (one for the original area and one for each of the three expansion area). The application of Section 163.387(1)(b)(1)(a) is legally appropriate for expansion area 3. We are unclear of whether parcels from one or more of the expansions were not included in the certification or whether all of the expansion area parcels were included in a single list. The City has indicated that it will work with the Property Appraiser to certify new lists of parcels. It should be noted that the County has received two lists of parcels from the Property Appraiser for the Eastside CRA for many years and has calculated the tax increment on that basis with approval from the City. As such, County staff had no reason to believe that there was a problem with the certification.

It is unfortunate that this staff-level issue has been elevated to the County and City Commissions, particularly in this instance where the amount that the County has to deposit into the City's trust fund will remain the same no matter which mil is applied to the expansion areas. The property values for the expansion areas are below the base rate and the calculation of the difference is in negative dollars. County staff has been and remains willing to work with City staff to correct any calculation errors.

Please contact me if you have any questions.

xc: Members of the Board of County Commissioners
Dr. Lee A. Niblock, County Manager
Gina Peebles, Assistant County Manager
Edgar Campa-Palafox, Economic Development Coordinator
Sylvia Torres, Assistant County Attorney

attachments



Alachua County County Manager's Office

Dr. Lee A. Niblock, CM
County Manager

Date: November 30, 2016
To: Redevelopment Districts Partners
From: Edgar Campa-Palafox, Economic Development Coordinator *ECP*
Subject: Community Redevelopment Area (CRA) FY 17 Payment from Alachua County

Please find attached the spreadsheet of taxable values for your Redevelopment Districts for Tax Year 2016 from the Alachua County Property Appraiser's Office.

Please process this information as follows:

1. Verify the attached parcel numbers in your redevelopment district.
2. Verify the enclosed tax increment data form for each redevelopment district.
3. Return the information by close of business Friday, December 16, 2016.

Please mark your corrections, if any, on the attached printout and provide an explanation of your changes. If the district has been expanded, please provide minutes from the City Council/Commission meeting at which the change was approved and attach the new legal description of the district.

If it appears that parcels have "dropped off" the Property Appraiser's printout in error, or if there are any other corrections, please contact me at 352-264-6908. If there are no corrections, please sign the included payment calculation and return it as soon as possible via email at epalafox@alachuacounty.us. Alachua County will submit payment once we have received the original signed form from you.

Due to the statutory requirements for payment by January 1, 2017, please give your fullest attention to this task. I greatly appreciate your assistance with this matter.

cc: Gina Peebles
E. John Brower

Michele Lieberman

From: Edgar Campa-Palafox
Sent: Thursday, December 8, 2016 1:57 PM
To: Michele Lieberman
Cc: Sylvia Torres
Subject: FW: CRA Valuations - Gainesville

Michele,

This was my second email back to City Staff regarding the valuation calculation.

Edgar

From: Edgar Campa-Palafox
Sent: Monday, December 05, 2016 10:48 AM
To: 'Vidal-Finn, Sarah C.'
Subject: RE: CRA Valuations - Gainesville

Good morning Sarah,

Hope that you had a great weekend! I saw you in the longest table event video released by a drone! How cool!

I forgot to mention in my last email. Assistant County Attorney Sylvia Torres was the one working on the expansion determination. I checked with her, and Sylvia said that it was ok for her to be directly contact by the City Attorney's Office regarding this issue.

Regards!
Edgar

From: Vidal-Finn, Sarah C. [<mailto:vidalsc@cityofgainesville.org>]
Sent: Friday, December 02, 2016 10:54 AM
To: Edgar Campa-Palafox
Subject: RE: CRA Valuations - Gainesville

Ok. I will need the excel spreadsheets in order to conduct the analysis.

From: Edgar Campa-Palafox [<mailto:epalafox@alachuacounty.us>]
Sent: Friday, December 02, 2016 10:37 AM
To: Vidal-Finn, Sarah C.
Subject: RE: CRA Valuations - Gainesville

Ok. Sounds good. I will be waiting for the corrections and clarifications. If you do not have issues with a specific valuation sheet from a district, you can go ahead and sign such valuation, so I can process the payment from my end.

From: Vidal-Finn, Sarah C. [<mailto:vidalsc@cityofgainesville.org>]
Sent: Friday, December 02, 2016 10:00 AM
To: Edgar Campa-Palafox
Subject: RE: CRA Valuations - Gainesville

Hi Edgar – In reviewing the information sent, we've found several errors – for instance the 2006 expansion area was adopted prior to October 1, 2006. We'll be investigating this further and will circle back shortly. In the meantime, please forward the Excel spreadsheet versions of the backup for our analysis -- at your earliest convenience.

Thanks so much,
Sarah

From: Edgar Campa-Palafox [<mailto:epalafox@alachuacounty.us>]
Sent: Thursday, December 01, 2016 10:10 AM
To: Vidal-Finn, Sarah C.
Cc: Gina Peebles; Edward Brower; Meeker, Andrew G.
Subject: CRA Valuations - Gainesville
Importance: High

Good morning Sarah,

Hope that you are doing well. Please find attached the City of Gainesville 2016 CRA districts valuations. Please refer to the attached memo for the specific actions required and due date.

Please notice a change from last year valuations in the Eastside Expansion Redevelopment District calculations. Following advice from the Alachua County Attorney's Office, the calculation was corrected to use the same millage rate for City and County. This correction is due to Section 163.387(1)(b)(2), Fla. Stat. This section provides that when a redevelopment agency, which was not created pursuant to delegation of authority from the County, petitions its municipal governing body to modify its redevelopment plan to expand the boundaries of an area after October 1, 2006, the County shall contribute to the municipal trust fund, for the expanded area, at the lower of the millage rates of the municipality or the County, cross-referencing Section 163.387(1)(b)(1)(a), Fla. Stat.

Please let me know if you have any questions.

EDGAR CAMPA-PALAFIX ECONOMIC DEVELOPMENT COORDINATOR,
ALACHUA COUNTY
epalafox@alachuacounty.us | 352-374-5204 | 12 SE 1st Street, Gainesville FL



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