



## Legislation Text

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**File #:** 160659., **Version:** 1

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### **Request by CRA Executive Director and CRA Attorney to Waive Statutory Penalties by CRA Board for Payment of 2016 Tax Increment by City and County (B)**

On November 30, 2016, CRA staff received an email from Alachua County's Economic Development Office requesting CRA staff review the Property Appraiser's certification of each of the CRA Districts and expansions to determine if there were any errors. The County Economic Development Office also indicated that the County's contribution to the 2006 Eastside Redevelopment Expansion area would be reduced to meet the City's millage rate. According to the email, the 2006 Eastside Expansion area was created after 2006, thus allowing the County to reduce its millage contribution to that of the City's.

This email alerted CRA staff that there were inconsistencies in the Eastside Expansion Areas and perhaps in the other CRA districts. On December 7, 2016 CRA Staff presented a Memorandum to the General Policy Committee regarding this Communication from Alachua County Staff. In researching this change, CRA Staff and the City Attorney's office confirmed that the 2006 Eastside Expansion Area was created prior to the October 1, 2006 statutory deadline and was not eligible for this reduction. It also appeared that the two expansions added to the Eastside District in 2010 were not included in the 2016 Valuation, but, were potentially eligible for the reduction in millage the County was seeking. Moreover, it appeared from CRA staff review that other properties may have been included in the Property Appraiser's valuation of the Eastside area that should not have been included. Because CRA staff does not have the expertise to review the geographic information system (GIS) mapping used to determine the inclusion and exclusion of properties from the Property Appraiser's Valuation, CRA staff hired a third party firm, DRMP, Inc., to assist with further research regarding the inclusion of the 2010 Eastside Expansion Areas and a review of the 2016 Valuations in their entirety.

However, by statute (Section 163.387(2), Florida Statutes) a taxing entity must deposit its increment into the trust fund by January 1. If a taxing entity does not pay the increment revenues into the trust fund, then a 5 percent penalty and interest in the amount of 1 percent may be charged to the taxing entity, unless the CRA waives such penalties in whole or in part. While outside GIS expert was diligently comparing the property appraiser's certification to the legal description of the Eastside Redevelopment Area, it was clear that the evaluation would not be completed prior to the January 1 deadline. CRA Director and CRA Attorney considered the options; including accepting money into the CRA trust fund and holding it in escrow until the evaluation was completed by DRMP. However, it appeared the better solution would be to ask the City and the County to withhold payments until the CRA's expert could complete his evaluation, no later than February 28, 2017. The CRA Director and CRA Attorney also agreed that each would recommend to the CRA Board that all penalties and interests be waived by the CRA Board through February 28, 2017.

CRA Staff drafted a letter to the County that was delivered December 16, 2016 saying there would be no signing of the district valuations by the requested deadline as additional discrepancies had been found and time was needed to work with their Consultant and the Alachua County Property Appraiser's office to resolve outstanding concerns. The CRA did not want to accept funding that wasn't due to the CRA. In the meantime, it was communicated that Staff would request a special meeting in January 2017 to recommend the CRA Board

waive any penalties and interest until the end of February to allow time to reach amicable resolution to these matters.

At today's Special Meeting CRA Staff will give an update on the work that's been accomplished to date, what's left to do and the potential impacts for the 2016 TIF transfers and future years.

CRA Executive Director and CRA Attorney to CRA Board: Authorize the waiving of any penalties or fees associated with the City and County postponing the 2016 Tax Increment Funding transfers until February 28, 2017.