

City of Frostproof to Revisit CRA, Impact Fees

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FROSTPROOF | City Council members have decided to set up a workshop in the near future on impact fees and a community redevelopment agency.

The last time the Frostproof City Council talked about those two funding mechanisms, the recession hadn't happened.

Now that it's 2013, the city is overdue to update its 2007 impact fee study and to finish the 2006 "finding of necessity" study on creating a CRA, said Pat Steed, executive director of the Central Florida Regional Planning Council.

The planning council had started a CRA study for the city when the bottom fell out of the economy, Steed said. She said her staff told several city governments that it was not the right time.

"When we started looking at this, I don't think any of us could have anticipated how deep a recession and how slow a recovery we would be facing," Steed said.

Now that property values seem to have bottomed out and are set to rise again, she said it looks like a better time.

A CRA raises money for community redevelopment by defining an area of the city that has blight and setting that area's relatively low property values as a base for property taxes, Steed said.

The CRA helps improve the area so property values will increase, bringing in more revenue to help with more redevelopment, Steed said. The CRA is funded through what is known as tax increment financing. Property values are frozen for city and county property taxes when the CRA is formed. Tax revenue produced by increasing property values goes to the CRA to pay for improvements.

Funds can be used to make street and sidewalk improvements, facade improvements, improve housing, buy land or redevelop brownfields, Steed said.

The CRA would have a board, which could be the City Council since Polk County is a charter county, Steed said.

However, the CRA board does not actually raise taxes, pass ordinances or rezone property, Steed said.

Council member Todd Milton asked what a new study would cost.

Steed said her agency never invoiced the city for the original study, but the CFRPC typically charges \$15,000 for technical work on the finding of necessity study, then \$25,000 to help the city make a CRA plan and put it in the long-range budget.

Steed said communities like Auburndale, Bartow, Lakeland and Winter Haven have been successful with their CRAs.

Mayor Anne Dickinson asked if smaller communities have any success, and Steed said Auburndale was roughly the size of Frostproof when it put in a CRA 30 years ago.

Frostproof has diverse land uses and had lots of development interest before 2007.

As for impact fees, Steed said the city should do a new impact fee study before that interest is renewed, especially since the old one is more than five years old.

Vice Mayor Diana Biehl moved to discuss the CRA and impact fee issue further in a workshop, and all City Council members voted yes.

Right now, the city is only assessing half the amount of its impact fees while the Polk County Commission has put a moratorium on all of its fees, except those for education, Steed said.

That moratorium expires on Jan. 31, 2014, she said.

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