



Inspector General Insights

Background - CRAs: Florida Statute Chapter 163 Part III authorizes local governments to establish Community Redevelopment Areas (CRA) for the purpose of improving specific sections within a community that are significantly distressed and blighted. The establishment of a CRA provides for property taxes generated above a designated base year to be spent in the defined area for redevelopment projects. The funds can be used to pay for programs within the targeted area that are designed to foster redevelopment, strengthen infrastructure and improve the appearance of the neighborhood, including funds to private property for improvements. This financing method is called *Tax Increment Financing (TIF)*.

In Collier County, there are three Community Redevelopment Areas:

1. [City of Naples CRA](#) - Established in 1994 by the City of Naples Council, the original designation was set to expire in 2024. However, in January 2014, the Naples City Council extended the CRA sunset date to September 30, 2044. The Naples CRA receives revenues from both the City and the County, based on the increase over the 1993 base property tax value.
2. [Bayshore Gateway Triangle CRA](#) - Established in 2000 by the Board of County Commissioners (BCC) for a 30-year period, the designation will extend through 2030 unless terminated or extended by Commissioners.
3. [Immokalee CRA](#) – Established in 2000 by the Board of County Commissioners for a 30-year period will also extend through 2030 unless terminated or extended by Commissioners.

The BCC serves as the governing board for both CRA districts located in the county's jurisdiction, while the Naples City Council is the governing board for the Naples CRA district. An important role of the governing boards is to develop a redevelopment plan for each district that addresses the district's unique needs, and then to ensure that projects and expenditures remain consistent with that plan.

Background – Innovation Zones: The BCC created the Innovation Zones program in 2010 for the purpose of promoting economic development. Innovation Zones function in a manner similar to a CRA. The BCC has established three Innovation Zones in areas deemed to be underdeveloped and economically lagging. Like a CRA, the establishment of an Innovation Zone provides the means to generate money to pay for projects that are intended to spur economic growth within the boundaries of the zone. This financing method is called Tax Increment Financing (TIF).

In Collier County, three Innovation Zones have been established by the Board of County Commissioners:

1. [Ave Maria Innovation Zone](#)
2. [Interchange Activity Center No. 9](#) - Located at the intersection of I-75 and Collier Blvd.
3. [Golden Gate City Economic Development Zone](#) - Covers Golden Gate area.

Objective: To advise residents on the history and structure of the CRAs and TIF financing, especially in light of a related Board of County Commissioners (BCC) agenda item.

Scope: This analysis includes the three CRAs and three Innovation Zones active in the county.

TIF Methodology: Tax Increment Financing (TIF) is a funding vehicle available to local government for redevelopment purposes and not for general purposes. All CRA and Innovation Zones in Collier County use TIF to generate funds.

Upon creation of the district, the taxable value of the base year within the respective CRA or Innovation Zone is frozen. The tax increment is the amount of taxes generated from increased property values within the district in excess of the base year.

The tax increment is then used to fund projects and programs designed to improve conditions within the designated areas and spur further redevelopment or job creation. The restriction of funds to defined CRA or IZ areas reduces funds that would otherwise be available to fund general government activities such as law enforcement, parks, and libraries in the General Fund and the Unincorporated Area General Fund. Property tax revenue collected by school boards, fire districts and other special districts are not affected under the TIF process.

Below is a table summarizing Attached is a schedule of Collier County CRA's and Innovation Zones and the dollars that have been provided to each of the respective areas. As noted there have been significant cumulative dollars devoted to these zones - \$86.0M from the General Fund (001) and \$8.3M from the MSTD General Fund (111). As the number of these zones increases, or if the current Areas are extended, the loss of generally available tax dollars for county-wide and unincorporated area costs increases.

Improvement District	Enabling Document	Approval Date; Expiration Date	FY22 Contribution	FY22 Contribution	Cumulative Contributions	Cumulative Contributions
			General Fund (001)	MSTD General Fund (111)	General Fund (001)	MSTD General Fund (111)
Naples CRA	Resolution 94-7098; Resolution 14-13401	January 5, 1994; (ext.) January 15, 2014; September 30, 2044	\$4,712,633.00	\$0.00	\$47,590,318.45	\$0.00
Immokalee CRA	Resolution 2000-82	September 30, 2030	\$821,100.00	\$185,900.00	\$9,299,872.00	\$2,016,163.00
Bayshore Gateway Triangle CRA	Resolution 2000-83	September 30, 2030	\$2,188,000.00	\$495,300.00	\$24,386,773.00	\$5,271,744.00
Ave Maria Innovation Zone	Resolution 2015-133	June 23, 2015; September 30, 2026*	\$105,100.00	\$23,800.00	\$448,800.00	\$101,800.00
Golden Gate City Economic Development Zone	Ordinance 2018-56	November 13, 2018; September 30, 2029	\$1,423,200.00	\$322,200.00	\$3,445,200.00	\$780,000.00
Interchange Activity Center No. 9 Innovation Zone	Ordinance 2018-39	July 10, 2018; September 30, 2028	\$295,100.00	\$66,800.00	\$780,500.00	\$176,700.00
Total			\$9,545,133.00	\$1,094,000.00	\$85,951,463.45	\$8,346,407.00

*Note: Expiration date stated in Resolution 2015-133 is September 30, 2021 with automatic continuation for an additional 5 years, provided that after the initial 5 years, at least 30% of the Trust Fund has been expended.

Upcoming Actions: On the May 12, 2022, BCC agenda, there is a proposal to extend the Immokalee CRA for an additional 30-year period (through 2052).

Total # CRAs & Innovation Zones	Amounts Audited or Reviewed	Questioned Costs	Taxpayer Savings	# Observations / Recommendations
6	N/A	N/A	N/A	N/A