



## THE CITY OF KEY WEST

Post Office Box 1409 Key West, FL 33041-1409 (305) 809-3700

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### **Workshop Summary How-To's for Community Redevelopment**

**Presenters:** Carol Westmoreland, Executive Director, Florida Redevelopment Agency (FRA); and Carol A. Leone, Esq., Kane, Ballmer and Berkman, P.A

**Attendees:** Commissioner Clayton Lopez, Chairman Aaron Castillo, Vice Chair Patricia Eables, Member Annette Mobley, Member Marci Rose, Member Nancy Moulton, Member Rudy Rivas, Member Clifford Mingo, Wilhelmina Lopez Martin, Mostafah, Nancy Boylan, Mark Moss (Habitat), Alison Morales (DOH), and Carlene Smith, Devon Steckly, and Nicole Malo from the City of Key West.

**Summary:** On Saturday, June 14, 2014 an educational public workshop was held at the Harvey Government Center for just over a dozen attendees including Members of the Bahama Village Redevelopment Advisory Committee, City staff and members of the public.

After introductions and opening comments from Commissioner Lopez, FRA Executive Director Carol Westmoreland followed by Carol Leone presented the attached power point. The presentation allowed questions from attendees that triggered several discussions throughout.

**The overarching themes that emerged were as follows:**

**1. The Number One Mission of a CRA is Economic Development.**

- Invest in projects that increase property taxes;
- Leverage the existing fund by seeking leveraging opportunities: Bond's, startup loans, façade improvement programs, downtown improvement programs, grants, partnering.

**2. Annual Strategic Planning**

- Implement an annual strategic planning process. Pick one Goal for the year, consistent with the Capital Projects Work Plan, and focus only on that.
  - How do we make the Goal a sustainable part of the community?
  - How will the Goal create economic development?
  - What are the outcomes anticipated of the Goal?
- Don't fund a project that doesn't meet the objective of the goal.
- Cut your job into small pieces, do not overextend yourself or your dollars.

- The general public has their own interest and should not be informing or swaying the annual Goal setting process, instead use your partnerships to accomplish Goals.
- The open application process should be secondary to the focus of achieving the annual Goal.
- Advisory Board may hold two brainstorming sessions annually as part of the visioning and goal setting process (more casual than scheduled BVRAC meetings).
- Never distract from the annual mission!

### 3. Partnerships

- The most successful CRA projects are created from Partnerships (Department of Health, School Board, Habitat for Humanity, City, Developers, Housing Authority, neighborhood organizations etc.)
- TIF should be seed money for a partner, not used as a bank or sole source of funding.
- Partnerships can also be found in marketing such as social media partnerships
- The recipients of the \$\$ should be working harder than the donors!

### 4. Outreach/Marketing

- Social media is a great way to get the word out.
- Create a fun and user friendly website.
- Create a personalized Logo.
- Exhibit you work: Have events on site for completed projects. Have the logo plaque on the completed project.
- For larger projects put design boards up to show progress.

### 5. Legal:

- Attorney General does not specialize in CRA law. It is critical to check all court opinion that may have occurred regarding subject matter in question.
- CRA statute is unclear as to whether funding of programs and non-profits is a legitimate use of TIF (163.370). Document expenditures well or consider limiting funding to bricks and mortar projects.
- For TIF funded projects (particularly with non-profits) contracts should be in the best interest of the City and very clear/strong..
- State is increasing transparency and compliance.

### 6. Ethics:

- Are rules of ethics applicable to the Advisory Committee?
  - Florida Statute Section 112.3143(1)(b) which defines “public officer” as a person elected or appointed to hold office in any agency, including any person on an advisory body. Therefore, the advisory body would be held to the ethics rules under Chapter 112. New legislation (4hrs annual ethics training)
- Remember, you can't accept a gift to influence a vote.

- Avoid perception of conflict of interest and always seek legal counsel if there is any connection between yourself and an applicant who will benefit from TIF funding or BVRAC Action.
- Board members are suggested to get an ethics determination in writing from the City Attorney if there is a perceived conflict.

## 7. **BVRAC and CRA Responsibilities**

- BVRAC Responsibility as Advisory Board is to research and come up with ideas. Staff provides support for those requests.
- TIF Staff is currently part time. Full time CRA staff can be funded by TIF funds.
- Don't overwhelm yourself or the budget with new projects, finish what you have started.
- A strong advisory board exhibits Leadership, Vision and Cohesiveness.
- Be consistent with your Goals and message. It is the easiest way to say no!
- Redevelopment takes a long time. It is long-term, be patient and express that to community members. For larger projects put design boards up to show progress.
- Transparency
- Research similar communities that have CRA's and what they are up to.
- Stay focused in each session to the topic at hand
- Confer with Staff.

**THE BAHAMA VILLAGE REDEVELOPMENT  
ADVISORY COMMITTEE**

**WELCOMES FOUR KEYNOTE SPEAKERS  
COMMUNITY REDEVELOPMENT EXPERTS:**

**JEREMY EARLE, PRESIDENT, FRA**

**CAROL WESTMORELAND, EXECUTIVE DIRECTOR, FRA**

**KENDALL D. LEVAN, ESQ**

**CAROL A. LEONE, ESQ**

**PLEASE JOIN US FOR BREAKFAST**

**SATURDAY, JUNE 14, 2014**

**9:30AM-12:30PM**

**AT THE HARVEY GOVERNMENT CENTER.**

**1200 TRUMAN AVENUE**

**WHERE SPEAKERS WILL SHARE WITH US THEIR  
EXPERIENCES IN GROWING A SUCCESSFUL CRA**

**RSVP BY JUNE 6 TO [NMALO@KEYWESTCITY.COM](mailto:NMALO@KEYWESTCITY.COM)**

# Community Redevelopment Workshop

Saturday, June 14, 2014

CRABOUNDARIES ARE A GRAPHIC DEPICTION ONLY.  
PLEASE REFER TO LEGAL DESCRIPTION FOR AN EXACT  
DEFINITION OF BOUNDARY LOCATIONS.



# SOME HOW-TOS FOR A REDEVELOPMENT AGENCY

SUGGESTIONS FOR A SUCCESSFUL AND DYNAMIC  
CRA

*Presented by*

Carol Westmoreland  
Executive Director  
Florida Redevelopment  
Association

Carol A. Leone, Esq.  
Kane, Ballmer & Berkman, P.A.

# WHY HAVE A CRA?

- ▣ What is it's purpose?
- ▣ How does it function?
- ▣ How can it best be used for optimum results?
- ▣ What can be learned from others?
- ▣ How to avoid negative publicity or sanctions
- ▣ How to create a dynamic, thriving community redevelopment agency

# BAHAMA VILLAGE REDEVELOPMENT AREA

- ▣ Area and TIF established in 1992
- ▣ Plan was extended in 2010 to 2040.
- ▣ Maximum lifecycle extension until 2052
- ▣ How can the TIF be used best within the CRA lifecycle, keeping in mind “A CRA uses redevelopment funds, for a limited time period, within a deteriorating area, to transform it into one that again contributes to the overall health of the community.”

# Reasons to Redevelop

- ▣ Remove slum and blight
- ▣ Create clean, safe places
- ▣ Prevent crime
- ▣ Encourage Economic Development
- ▣ Create affordable housing
- ▣ Fund street enhancements and other capital improvements
- ▣ Preserve historic buildings
- ▣ Retain/recruit business
- ▣ Enhance parks and recreation
- ▣ Increase tax base which increases revenue to local government

# ADVISORY COMMITTEE

- ▣ Purpose is to advise (not decision makers)
- ▣ Need regular communication with board
- ▣ Need to know what is expected of them
- ▣ Need staff support to get job done
- ▣ Need training as well as resources to seek guidance
- ▣ Have Capital Projects Work Plan
- ▣ Maintain evaluation of work done, whether effective and feedback

# HAVE A STRATEGIC PLAN

- ▣ Maintain Vision for Area – ideal future for community – Section 4.02, page 34 in Plan
- ▣ Objectives (1-10) which are timeless and global in Plan at Section 4.04, page 50
- ▣ Create action steps for each objective, make deadline and assign person appointed for task
- ▣ Priorities – what CRA should do first – Create a Capital Projects Work Plan to achieve objectives. Use objectives to prioritize spending

# PROPER USE OF CRA FUNDS

- ▣ Only used for projects or purposes in Plan (even if statute allows it, it must be in Plan!)
- ▣ Can pay administrative and overhead expenses
- ▣ Can acquire property in CRA
- ▣ Pay costs of clearance, preparation and relocation of occupants
- ▣ Pay expenses relating to bonds and other indebtedness
- ▣ Costs relating to development of affordable housing

# POWERS OF REDEVELOPMENT

- ▣ Can acquire or dispose of property in the CRA
- ▣ Work with private developers for private-public assisted projects to leverage and generate public dollars
- ▣ Create TIF leveraging opportunities – supplements private funds and creates future TIF for new projects
- ▣ Create TIF growth potential using bonds, loan programs
- ▣ Examples of successful projects are abundant:
  - Delray Beach
  - West Palm Beach

# CANNOT USE CRA FUNDS FOR

- ▣ General operating expenses of governing body
- ▣ Uses not described in Plan
- ▣ Paying board members to serve as CRA board member
- ▣ Generally, projects outside of CRA
- ▣ Attorney General opinion on use of redevelopment funds for grants to non-profit entities, promotional events requires link between use of funds and Plan. “Brick & mortar” idea of redevelopment.

# REPORTING REQUIREMENTS for CRA/Dependent Special District

- Annual audit of trust fund – Fl. St. 163.387(8)
  - Prepared by independent CPA
  - Accounts for all sources, expenditures
  - Goes to each taxing authority
- Annual audit financial report – Fl. St. 218.39
  - Submitted to Auditor General by 6/30 from gov. body
- Annual report to governing body – Fl. St. 163.356(3)(c)
  - To gov. body by 3/31 reporting
  - Publish notice in newspaper of filing and where to view
- Information to Dept. of Economic Opportunity –  
Fl. St. 189.418(1)
  - Filed when CRA formed, then annual updates, fee
- Annual budget to governing body – Fl. St. 189.418(3)-(5)
  - Includes total available funds
  - Appear within gov. body budget as separate entry
- Annual financial report to Dept. of Financial Services by governing  
body – Fl. St. 218.32

# MEET INTENT OF STATUTES

- ▣ Fully comply with stated requirements
- ▣ Use reporting as method to promote CRA and its activities
- ▣ Send out reports to taxing entities with pictures and descriptions of projects
- ▣ Create interest and excitement in the public domain through reporting

# OVERSIGHT OF CRA

- ▣ By governing body (City Council)
- ▣ By Dept. of Financial Services (reports noncompliance)
- ▣ By Governor's Office (can impose sanctions)
- ▣ By State Attorney (for public record violations)
- ▣ By Florida Commission on Ethics (for ethics violations)
- ▣ Joint Legislative Auditing Committee can respond to complaints and order audits, and/or refer to Dept. of Revenue, Dept. of Financial Services for reporting violations or to Attorney General for investigation into criminal charges
- ▣ Auditor General can audit CRA and report lack of compliance with requirements

# OBJECTIVE - COMPLIANCE AND AVOID PENALTY/BAD P.R.

- ▣ Be forward looking to assure compliance and avoid backlash from those opposing redevelopment
- ▣ Provides confidence in event of audit
- ▣ Assures survival in face of scrutiny
- ▣ Meet intent of law as well as technicalities of law

# ETHICS LAWS

- ▣ “Public service is a public trust.”
- ▣ Sunshine Laws – open records, public meetings
- ▣ Elected public official may not vote if a conflict of interest exists. (Narrow exception for Redevelopment in Fl. Statutes 112.3143(3)(b) is limited to allow vote when CRA Member is in District and will benefit as all others in District will benefit.)
- ▣ Cannot use office to benefit self or relatives
- ▣ Cannot do business with entity in which public official acts as officer or proprietor (Fl. Statutes 112.313(7)).

# ETHICS LAWS, cont'd

- ❑ Cannot accept gifts given to influence a vote
- ❑ Uphold fiduciary duty for use of trust funds
- ❑ Act to avoid charges of bias or favoritism
- ❑ Sometimes best to go beyond specifications of law to avoid appearance of impropriety – Perception of ethics violation can undermine good work
- ❑ New state requirements for public officers' ethics training
- ❑ Key West's Cone of Silence policy

# SUCCESSFUL CRAS

- ▣ Education
- ▣ Vision
- ▣ Leadership
- ▣ Plan the work, then work the Plan
- ▣ A passion for partnerships
- ▣ Community support and trust
- ▣ Patience and “guts” to stick with it
- ▣ Wisdom to evolve and embrace the next opportunity

# CONTACT US

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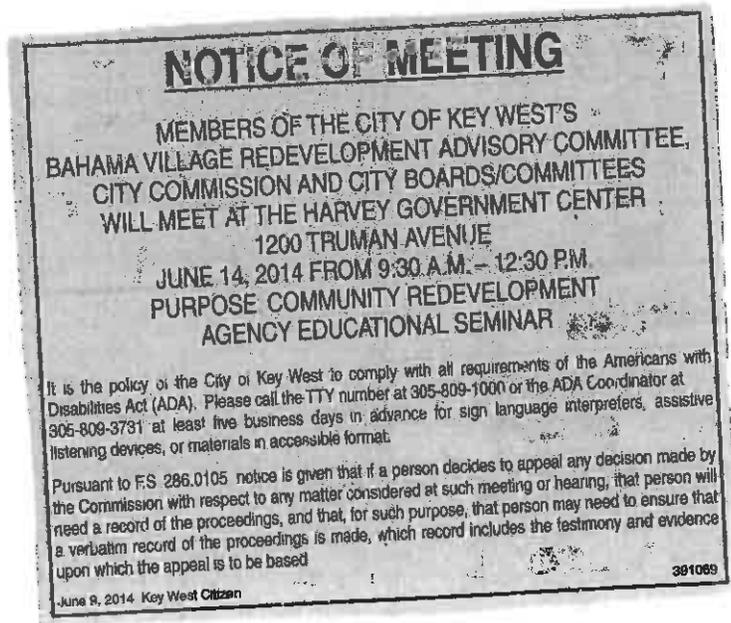
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**NOTICE OF MEETING**

**MEMBERS OF THE CITY OF KEY WEST'S  
BAHAMA VILLAGE REDEVELOPMENT ADVISORY COMMITTEE,  
CITY COMMISSION AND CITY BOARDS/COMMITTEES  
WILL MEET AT THE HARVEY GOVERNMENT CENTER  
1200 TRUMAN AVENUE  
JUNE 14, 2014 FROM 9:30 A.M. – 12:30 P.M.  
PURPOSE: COMMUNITY REDEVELOPMENT  
AGENCY EDUCATIONAL SEMINAR**

It is the policy of the City of Key West to comply with all requirements of the Americans with Disabilities Act (ADA). Please call the TTY number at 305-809-1000 or the ADA Coordinator at 305-809-3731 at least five business days in advance for sign language interpreters, assistive listening devices, or materials in accessible format.

Pursuant to F.S. 286.0105, notice is given that if a person decides to appeal any decision made by the Commission with respect to any matter considered at such meeting or hearing, that person will need a record of the proceedings, and that, for such purpose, that person may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based



**Publish: Monday, June 9, 2014  
P O #75060; Acct 173**

**Citizen Joint Meeting Notice 6-14-14**

Outline for Training Presentation  
City of Key West, Florida  
June 7, 2014

Some How-Tos for a Successful CRA

- I. Introduction – Why have a CRA? What is it’s purpose? How does it function? Key West has a CRA, a Redevelopment Plan and a Structure. We would like to suggest ways to put all of those aspects to their best use for a successful CRA. Others have been here before, so we can learn from their successes and mistakes.
  
- II. Structure of CRA Personnel
  - A. Board, Advisory Committee, Staff
    - 1. All should know redevelopment laws and regulations
    - 2. All should be familiar with what is in Redevelopment Plan
    - 3. Prepare for and participate in meetings
    - 4. Promote CRA with the public
  
  - B. Advisory Committee
    - 1. Purpose is to advise (not decision makers)
    - 2. Need regular communication between committees and board
    - 3. Committee needs to know what is expected of them
    - 4. Also need to have staff support to get job done
    - 5. Need training as well as resources to seek guidance
    - 6. Have work program
    - 7. Have evaluation of work done and feedback
  
  - C. Board and Advisory Committee must:
    - 1. Be familiar with the Redevelopment Plan (“Constitution” for CRA actions)
    - 2. Understand the intent of the Community Redevelopment Act
    - 3. Understand how the tax increment financing (TIF) is calculated and who contributes to it
    - 4. Understand the integrity of the trust fund – limits on what it can it be used for
    - 5. Be familiar with other rules that apply to the CRA
    - 6. Understand the objective of using TIF is to leverage public funds to create private investment in community. Begins domino effect that creates more TIF for future projects.

- III. Exercise strategic planning
  - A. Vision – what is the ideal future for community? Brief statement.
  - B. Values – what set of principles are essential for the CRA and all it does? What should guide all future actions?
  - C. Mission Statement – Why CRA does what it does and who it serves.
  - D. Goals – 5-7. Timeless and global.
    - 1. Objectives under each goal – specific result that can be seen and measured with time estimate for completion and person responsible
    - 2. Action steps for each objective – defines work and how it will be achieved.
  - E. Priorities – what will CRA do first? What do we want to focus on for next fiscal year? Plan in conjunction with Long Range Spending Plan
  
- IV. Proper Use of Redevelopment Funds
  - A. Can only use funds for projects and purposes in Redevelopment Plan
  - B. Ideally, leverage of private funds and pursuit of proper projects creates tax increment funds for future projects
  - C. If use trust funds on questionable projects, opponents can use that to challenge and undermine redevelopment
  - D. Attorney General opinion on use of TIF for grants to non-profit organizations, for example, says Agency must show a link between use of funds and how use furthers the objective of Redevelopment Plan and elimination of blight (Goes back to idea of Long Range Spending Plan)
  - E. Cannot use funds for general operating expenses of governing body
  
- V. Adhering to Reporting Requirements for CRA and Special District
  - A. Annual Audit of Trust Fund (Fl. St. Section 163.387(8))
  - B. Annual Financial Audit Report (Fl. St. Section 218.39)
  - C. Annual Report to Governing Body (Fl. St. Section 163.356(3)(c))
  - D. Basic Information regarding CRA to Dept. of Economic Opportunity (Fl. St. Section 189.418(1))
  - E. Annual Budget for adoption by governing body by resolution (Fl. St. Section 189.418(3)-(5))
  - F. Annual Financial Report to Dept. of Financial Services filed by city or county with CRA portion of report (Fl. St. Section 218.32)
  - G. Go beyond the requirements, use best practices
  - H. Send annual reports with project descriptions to other agencies (taxing entities) to get support for CRA activities.
  - I. If staffing is an issue, maybe try doing a running report through year
  
- VI. Working under Sunshine and Ethics Laws
  - A. Noticed meetings
  - B. Public records

1. Respond to request immediately, even if just saying we are working on it)
  2. Need not be a written request
- C. Public persons and ethics laws
1. State is implementing measures to require formal ethics training
  2. Conflicts of interest an area of special concern
    - A. Cannot do business with agency with which one has personal interest
    - B. Fiduciary duty for use of trust funds (if meet Plan and CRA objectives, avoid charges of bias/favoritism)