

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Transportation and Economic Development Appropriations Committee

**BILL:** CS/SB 110

**INTRODUCER:** Military Affairs and Domestic Security and Senator Bullard

**SUBJECT:** Community Redevelopment/Blighted Areas

**DATE:** April 15, 2009      **REVISED:** \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Murphy	Yeatman	CA	<b>Fav/1 amendment</b>
2.	Pardue	Skelton	MS	<b>Fav/CS</b>
3.	Fournier	McKee	FT	<b>Favorable</b>
4.	Carey	Noble	TA	<b>Favorable</b>
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

**Please see Section VIII. for Additional Information:**

A. COMMITTEE SUBSTITUTE.....  Statement of Substantial Changes

B. AMENDMENTS.....  Technical amendments were recommended

Amendments were recommended

Significant amendments were recommended

**I. Summary:**

This bill expands the definition of “blighted area” for purposes of the Community Redevelopment Act to include certain land which was previously used as a military facility.

This bill substantially amends s. 163.340(8) of the Florida Statutes.

The bill has no fiscal impact.

**II. Present Situation:**

Part III of chapter 163, F.S., the Community Redevelopment Act of 1969, authorizes a county or municipality to create Community Redevelopment Areas (CRA) as a means of redeveloping a slum or blighted area. CRAs are not permitted to levy or collect taxes; however, the local governing body is permitted to establish a community redevelopment trust fund utilizing revenues derived from tax increment financing (TIF). TIF uses the incremental increase in ad valorem tax revenue within a designated redevelopment area to finance redevelopment projects within that area.

As property tax values in the redevelopment area rise above an established base, tax increment revenues are generated by applying the current millage rate to that increase in value and depositing that calculated amount into a trust fund. This occurs annually as the taxing authority must annually appropriate an amount representing the calculated increment revenues and deposit it in the redevelopment trust fund. These revenues are used to back bonds issued to finance redevelopment projects.

**Community Redevelopment Agencies** – Section 163.355, F.S., prohibits a county or municipality from exercising the powers conferred by the Act until after the governing body has adopted a resolution finding that:

- (1) One or more slum or blighted areas, or one or more areas in which there is a shortage of housing affordable to residents of low or moderate income, including the elderly, exist in such county or municipality; and,
- (2) The rehabilitation, conservation, or redevelopment, or a combination thereof, of such area or areas, including, if appropriate, the development of housing which residents of low or moderate income, including the elderly, can afford, is necessary in the interest of the public health, safety, morals, or welfare of the residents of such county or municipality.

Section 163.360(1), F.S., provides:

Community redevelopment in a community redevelopment area shall not be planned or initiated unless the governing body has, by resolution, determined such area to be a slum area, a blighted area, or an area in which there is a shortage of housing affordable to residents of low or moderate income, including the elderly, or a combination thereof, and designated such area as appropriate for community redevelopment.

Section 163.340(8), F.S., defines “blighted area” as follows:

An area in which there are a substantial number of deteriorated, or deteriorating structures, in which conditions, as indicated by government-maintained statistics or other studies, are leading to economic distress or endanger life or property, and in which two or more of the following factors are present:

- (a) Predominance of defective or inadequate street layout, parking facilities, roadways, bridges, or public transportation facilities;
- (b) Aggregate assessed values of real property in the area for ad valorem tax purposes have failed to show any appreciable increase over the 5 years prior to the finding of such conditions;
- (c) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- (d) Unsanitary or unsafe conditions;
- (e) Deterioration of site or other improvements;
- (f) Inadequate and outdated building density patterns;
- (g) Falling lease rates per square foot of office, commercial, or industrial space compared to the remainder of the county or municipality;
- (h) Tax or special assessment delinquency exceeding the fair value of the land;

- (i) Residential and commercial vacancy rates higher in the area than in the remainder of the county or municipality;
- (j) Incidence of crime in the area higher than in the remainder of the county or municipality;
- (k) Fire and emergency medical service calls to the area proportionately higher than in the remainder of the county or municipality;
- (l) A greater number of violations of the Florida Building Code in the area than the number of violations recorded in the remainder of the county or municipality;
- (m) Diversity of ownership or defective or unusual conditions of title which prevent the free alienability of land within the deteriorated or hazardous area; or
- (n) Governmentally owned property with adverse environmental conditions caused by a public or private entity.

However, the term “blighted area” also means any area in which at least one of the factors identified in paragraphs (a) through (n) are present and all taxing authorities subject to s. 163.387(2)(a) agree, either by interlocal agreement or agreements with the agency or by resolution, that the area is blighted.

### **Disposal of Military Real Property**

The U. S. Department of Defense (DoD) provides for the disposal of real property “for which there is no foreseeable military requirement, either in peacetime or for mobilization.”<sup>1</sup> Disposal of such property is subject to a number of statutory and department regulations which consider factors such as the:

- Presence of any hazardous material contamination;
- Valuation of property assets;
- McKinney-Vento Homeless Assistance Act;
- National Historic Preservation Act;
- Real property mineral rights; and
- Presence of floodplains and wetlands.<sup>2</sup>

DoD real property held for mobilization purposes may be made available for interim use but may be subject to immediate return without cost if it is determined that the property is required for mobilization.<sup>3</sup>

### **III. Effect of Proposed Changes:**

This committee substitute bill expands the current definition of the term "blighted area" provided for in s. 163.340(8), F.S., to include land previously used as a military facility that is undeveloped and has been declared surplus by the Federal Government within the preceding 20 years.

The bill provides an effective date of July 1, 2009.

<sup>1</sup> Department of Defense Instruction 4165.72

<sup>2</sup> Id.

<sup>3</sup> Id.

**IV. Constitutional Issues:**

## A. Municipality/County Mandates Restrictions:

None.

## B. Public Records/Open Meetings Issues:

None.

## C. Trust Funds Restrictions:

None.

**V. Fiscal Impact Statement:**

## A. Tax/Fee Issues:

None.

## B. Private Sector Impact:

Owners of property located in a Community Redevelopment Area may benefit by improvements funded through tax increment financing. The addition of land previously used as a military area to the definition of “blighted area” eligible for such designation may increase opportunities to create Community Redevelopment Areas.

## C. Government Sector Impact:

Community Redevelopment Agencies, working with local governments, would be able to develop community redevelopment plans utilizing the expanded definition of “blighted area” to include land previously used as a military facility. As a result these areas could receive TIF revenues under the Community Redevelopment Act, and property values in the area may increase as a result of any improvements using TIF. Redevelopment of these areas can contribute to increased economic interest in a region and an overall improved economic condition. Tax increment financing diverts additional tax revenue from other taxing authorities in which the CRA is located, however, to the extent that property values in the area would have increased absent the designation of the CRA.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Additional Information:**

- A. **Committee Substitute – Statement of Substantial Changes:**  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

**CS by Military Affairs and Domestic Security Committee on March 11, 2009:**

This committee substitute incorporates a traveling amendment which clarifies that a former military facility that “is undeveloped and consists of land that the Federal Government declared surplus within the preceding 20 years” may be defined as a blighted area.

- B. **Amendments:**

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill’s introducer or the Florida Senate.

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