

THE BANNER



Winter 2003

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Community Redevelopment Agency (CRA) Legislation Already Filed

Two Senate "shell" bills have been filed, and one committee hearing was held February 5 on CRAs. The session starts March 4 and ends May 2 if not extended. Although no detailed proposals have been brought forth, cities are anticipating legislation that supports the Florida Association of Counties' 2003 position on CRAs. This position is essentially that Tax Increment Financing (TIF) contributions from counties should be limited or controlled to a greater degree by the county.

The bills filed to date are SB 548 (Constantine) and SB 432 (Geller). Senator Geller chairs the Senate Committee on Comprehensive Planning 2003-2004, and Senator Constantine is the former chair of this committee, 2001-2002. Senator Constantine was very involved in the CRA bill passed last year, and has been supportive of CRAs and local flexibility.

"Shell bills" mean that the bills have numbers, but they contain only brief language that speaks to the intent of legislation (community redevelopment). The substance of the bill will be filled in at a later date. These are also called "placeholder" bills.

The Subcommittee on Local Affairs of the House Committee on Local Government and Veterans Affairs heard brief presentations from the Florida Association of Counties and the Florida League of Cities on CRAs in Tallahassee on February 5. There was limited discussion from members, and no votes were taken. The committee meets again the first week of session, and could take up legislation filed by that time. The FLC and the FRA's legislative positions for 2003 on CRAs are identical:

To support legislation that preserves the home rule powers of municipalities to create and effectively use community redevelopment agencies to redevelop and revitalize urban areas, including the use of tax increment financing, and that preserves local control and disposition on any disputes between local governments over the use of such agencies and financing.

The key committees that will initially hear any CRA legislation are this House Committee on Local Government and Veteran's Affairs, and the Senate Comprehensive Planning Committee. Contact the members of these committees immediately if they represent your area, and show them the great things that CRAs have done locally.

The members of the House committee are: Republicans Ken Sorensen (Chair); Julio Robaina (Vice Chair); Kevin Ambler; Frank Attkisson; Larry Cretul; Mike Davis; Stan Jordan; Ray Sansom; Tom Anderson; John Carassas; Don Davis; Ed Homan; and Democrats Mary Brandenburg; Terry Fields; Roger Wishner; Joyce Cusack; and Ron Greenstein.

CRA Legislation *continued from page 1*

The members of the Senate committee are: Chair Steven A. Geller (D); Vice Chair Daniel Webster (R); Nancy Argenziano (R); Michael S. "Mike" Bennett (R); Larcenia J. Bullard (D); Walter G. "Skip" Campbell, Jr. (D); Lee Constantine (R); and Bill Posey (R).

Most of the members of these committees will remember the issue from last year, but a critical difference is that last year, CRA legislative issues excluded TIF and were eventually agreed upon between the parties. This year, TIF issues are on the table, and there is no agreement between cities and counties that legislation is needed in this area.

Summary of 2002 CRA Legislation

Last year, CS/HB 1341 (Dockery) was passed. It contains the compromise language negotiated between the League, the Florida Redevelopment Association and the Florida Association of Counties. The new law includes:

- A grandfather provision for existing CRAs, excluding boundary expansions;
- New definitions of "slum area" and "blighted area";
- A forty-year time period for new CRAs to collect and use tax increment funds;
- A provision that allows all special districts to participate in the waiver process;

- Preservation of existing interlocal agreements; and
- A time frame for charter counties to respond to amendments and modifications of delegations for CRAs located in a charter county.

For copies of current or past bills, statutes or further legislative information, you may visit www.leg.state.fl.us; www.flcities.com, or call Carol Westmoreland at the FRA, 800-616-1513 ext. 115.

New RFP – RAP Service

Before you do an RFP, you need to RAP, right? Announcing an intensified RFP service on line for FRA members only. Consider this scenario: you have to make something happen, but aren't able to get anywhere due to one or more of the many variables: property owners, financing, permitting, land use, parking, etc. Call the FRA for advice on how to make progress in the fastest, most efficient manner, without reinventing the wheel. Fellow members who have done it before and have valuable tips are available through our Redevelopment Assistance Program (RAP) to help you. Email us or copy us when you go out to bid, obtain samples of RFPs and get free advice on almost any issue. If you are a vendor, consultant or developer, call us to get "on the list". Call Carol Westmoreland at 850/224-6779 ext. 115, or 800/616-1513 ext. 115 for further information.

**Plan now to attend
the annual
Florida
Redevelopment
Association
Conference**

**October 22-24
Hyatt Regency
Tampa**

Call now if you have
program ideas - registration
materials will be mailed to
all members in June.

Chapter 163 Reports Due March 31, 2003

All CRAs are required to file an annual report of activities and financial statement for the preceding fiscal year as of each March 31st. Chapter 163.356(3)(c), requires the following:

...An agency authorized to transact business and exercise powers under this part shall file with the governing body, on or before March 31 of each year, a report of its activities for the preceding fiscal year, which report shall include a complete financial statement setting forth its assets, liabilities, income, and operating expenses as of the end of such fiscal year. At the time of filing the report, the agency shall publish in a newspaper of general circulation in the community a notice to the effect that such report has been filed with the county or municipality and that the report is

available for inspection during business hours in the office of the clerk of the city or county commission and in the office of the agency.

This report must be filed with the governing body that created the CRA. A notice of the availability of the report must also be published in a local newspaper. The requirement to file the report *with the Auditor General* was removed from the statute (s. 163.356(3)(c), F.S.), but was not repealed entirely. It is a good idea to copy the county or other contributing taxing entities, as well as planning agencies, on this report. Why not send a personal letter to the members of the governing body, with the report attached? This is a great time to reflect and report on the good things accomplished in the previous year, and outline goals for the future. Some CRAs use this opportunity to develop an annual report, whether formally printed or done in house. CRAs get public records requests for the report, too, and it is nice to be prepared at a moments notice.

Community Redevelopment Agencies and Florida's Special District Information Program

By Jack Gaskins Jr.
Florida Department of Community Affairs
Division of Housing and Community Development

This article is intended to answer common questions about the relevance of community redevelopment agencies reporting to Florida's Special District Information Program.

Why are community redevelopment agencies defined as special districts?

To answer this question, one must understand the definition of a special district. Simply put, a special district is a local unit of special-purpose government. Special districts are created by general law, special act, local ordinance, or by rule of the Governor and Cabinet. They are very similar to municipalities and counties. In fact, they are more alike than different and Florida's laws treat them similarly. They all have a governing board with policy-making powers and provide essential public services within a defined geographical area. The difference is that municipalities and counties provide general-purpose governmental services, while special districts provide very specific and often specialized governmental services. Special districts are often thought of as "taxing" districts. However, revenue sources, if any, have nothing to do with the definition of a special district.

A community redevelopment agency is a special district because it is established by local ordinance, pursuant to Florida Statute, has a special governmental purpose implemented by specialized functions and related prescribed powers, and operates within a limited geographical area. Generally, community redevelopment agencies are classified as "dependent" special districts because their governing body members are identical to the governing body members of a single county or a single municipality. Other dependent characteristics may apply as well. Currently, 1,116 special districts exist in Florida carrying out almost 60 specialized functions. These functions include neighborhood improvement, library services, industrial development, water management, environmental protection, recreational services, aviation, historic preservation, and community redevelopment.

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CRAs and Florida's Special District Information Program *continued from page 3*

What are the roles of the Special District Information Program?

The Special District Information Program, within the Department of Community Affairs, is a special district clearinghouse charged with the responsibility of administering the general provisions for all types of special districts (Chapter 189, Florida Statutes). In summary, the program has three essential roles:

Improving Governmental Efficiency - The program fosters intergovernmental communication and coordination as it relates to financial reporting, state monitoring, taxation, bond financing, elections, and local government comprehensive planning, by continuously collecting and annually updating, compiling, and providing special district information to the legislature, five state agencies, and all municipalities and counties.

Promoting Governmental Accountability - The program helps special districts in noncompliance with certain state and local reporting requirements come into compliance by providing technical assistance letters and coordinating filing extensions. When necessary, the program initiates enforcement provisions.

Providing Technical Assistance - The program publishes the Florida Special District Handbook, and works with the Florida Association of Special Districts to develop and sponsor annual training opportunities for special district staff.

Why does Chapter 189, Florida Statutes, require all special districts to register with and provide updates to the Special District Information Program?

Each special district must register with and provide updates to the Special District Information Program because the program is responsible for providing special district information to all appropriate state and local agencies. Florida has what is known as the Local Government Financial Reporting System. This system provides for the timely, accurate, uniform, and cost-effective accumulation of financial and other information with respect to local governments. For this system to

produce accurate data, state and local agencies must be aware of the existence of all special districts. Special districts, counties, municipalities, and state agencies, including the Special District Information Program, have vitally important roles and responsibilities in this system. Members of the Legislature and other appropriate officials rely on the information this system produces to enhance citizen participation in local government, improve the financial condition of local governments, provide essential government services efficiently and effectively, and improve decision making by the Legislature, state agencies, and local government officials on matters relating to local government.

The Special District Information Program is funded by a \$175.00 annual fee that each special district must pay to cover the costs associated with carrying out the program's clearinghouse responsibilities as set forth in Chapter 189, Florida Statutes.

Where can I attain additional information regarding special districts?

The Special District Information Program is a central source of technical assistance concerning special district general issues. For additional information regarding special districts, including the all-new "Official List of Special Districts On-Line" and the "Florida Special District Handbook," please visit FloridaSpecialDistricts.org. Program staff is very interested in hearing your comments and suggestions concerning the Website, the program, and the services that are available to special districts. You may also contact Jack Gaskins at jack.gaskins@dca.state.fl.us or (850) 922-1457.



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Calendar

The Florida Chapter of the American Planning Association's 2003 Legislative Workshop

February 19-20, Holiday Inn Select, Tallahassee.

Florida Main Street's 101 Training: The Basics of the Four Point Approach

February 26-27, Haines City Community Center.

The Federal Brownfields Partnership Workshop

March 4, Clearwater, Harborview Center

"A Call to Action!", sponsored by the Institute on Urban Policy and Commerce at Florida A&M University, the Florida Redevelopment Association, the Florida Federation of Community Development Corporations, the Florida Association of Community Action Agencies, Inc. and One Church, One Child of Florida, Inc. March 10-11, Holiday Inn Capitol View, Tallahassee

Florida Economic Development Council (FEDC) Annual Legislative Conference

March 25, Tallahassee Radisson Hotel

Florida League of Cities Legislative Action Day

April 1-2, Tallahassee

Florida Housing Coalition "Overcoming NIMBYism"

April 4, Tampa

FAHRO (Florida Association of Housing and Redevelopment Officials) Legislative Meeting

April 15-16, Tallahassee Radisson

The Artful Business Forum: Using Arts-Based Development for Community Revitalization

Tuesday, April 22, Gainesville

Florida League of Cities International Academy for Elected and Appointed Officials

April 24-26, Orlando

Florida Trust for Historic Preservation Annual Conference

May 15-18, Daytona Beach

The National Town Meeting on Main Street

May 18-21, Cincinnati, Ohio

CNU XI: Ideals to Realities: The Evolving City

June 19-22, 2003, Washington, D.C.

Welcome New Members

City of Clearwater, Planning Department

CRA, City of Lakeland

City of Satellite Beach

**CRA, Broward County Office
of Economic Development**

CRA, City of Bartow

CRA, City of Coral Springs

CRA, City of Haines City

CRA, City of Holly Hill

CRA, City of Pompano Beach

CRA, City of Temple Terrace

CRA, City of Williston

CRA, Downtown Melbourne

**CRA, Diamond Square Redevelopment
Agency, City of Cocoa**

CRA, Olde Eau Gallie (Melbourne)

CRA, Town of Jupiter

**CRA, US 1 Corridor Redevelopment
Agency, City of Cocoa**

CRA, US 17-92 (Seminole County)

Crosswind Communities

Edwards & Angell, LLP

Main Street St. Cloud

MSSD Consulting Inc./The Chesapeake Group

Real Estate Research Consultants

Renaissance Planning Group

Tampa Bay Partnership

Short Takes

Prior to formulating a strategic plan for the economic revitalization of Historic Downtown, **Sanford Main Street** recognized the need for a current market analysis. A partnership was sought with the Rollins College Crummer Graduate School of Business, in particular, MBA students in Dr. Robert Prescott's management consulting course. A team of five MBA students spent six weeks gathering surveys, and the data collected was compared to the same study conducted in 1994. The students presented their findings and recommendations to a gathering of city officials, economic development organizations and community stakeholders. Rollins College was incorporated in Sanford in April, 1885, prior to building its site in Winter Park.

Florida Atlantic University's Joint Center for Environmental and Urban Problems and the Collins Center for Public Policy was funded by the MacArthur Foundation last year to undertake regional initiatives and build regional leadership capacity. The Joint Center authored a report entitled "Imaging the Region: South Florida via Indicators and Public Opinion." This report contains a set of indicators and public opinion polls to provide regional leaders with baseline data for determining the success of regional efforts. A website was developed and its goal is to keep the citizenry updated on regional news and events, as well as disseminating report information. The Collins Center sponsored articles and a report that looks at possible futures for our region, called "South Florida 2010: Four Scenarios for the Region's Future. For further information, visit www.sofflo.org or www.collinscenter.org.

Tallahassee's downtown development standards revisions include an increase in height restrictions within and adjacent to the Special Character District (Park Avenue and adjoining properties) in the downtown. Existing heights are 35' and 50' in the SCD and adjacent properties are 60'. The DIA is proposing that existing 35' heights be adjusted to 50', existing 50' heights be adjusted to 75' and existing 60' heights be adjusted to 100'. Properties presently zoned for the highest downtown height of 150' will remain unchanged. Also, Leon County has submitted its application to the state for designation of an Enterprise Zone within Leon County (a 20 square mile area, including downtown). Once the state has given the

area official designation, a variety of financial tax credit incentives are available. Approval by the State, and designation of the area is anticipated by the end of the month.

The **Georgia Cities Foundation** sponsors a "Heart and Soul" bus tour each year that tours various small cities throughout the state. The Foundation was created in 1999 to help revitalize downtown communities and ensure their long-term economic stability. This tour is a four-day, 12-city trip with 35-40 business leaders, state officials, philanthropists, economic development officials and the media, all traveling on the same bus. Last year's tour was written up in Georgia Trend, and finished to rave reviews. For further information, contact Linda Wilkes at lwilkes@gmanet.com.

The **North Beach Development Corporation** is using its unique architecture as the centerpiece of their revitalization strategy. The MIMo (Miami Modern) Retrofits of multi-family residential projects are proving effective, as well as profitable. The district is also developing a neighborhood-based master plan, in partnership with the City of Miami Beach. An "electronic town meeting" was held to set the objectives for new and redeveloped projects for business and residential development, as well as the resort district (which contains the Radisson Deauville Hotel, "famous" 69th street Publix, historic fire station, and recreational corridor). The 29th Annual Miami Beach Festival of the Arts is February 8-9. For further information, contact nbdcc@gonorthbeach.com or www.gonorthbeach.com.

The **Miami Beach City Commission** passed a local incentive program that will pay qualified companies up to \$3,000 per new job created. This is projected to give participants the opportunity to create 333 jobs, and may be used in conjunction with other incentive programs, such as the state's Quick Targeted Incentives. This is one of the tools the city sought to diversify its tourist economy.

On December 20, 2001, the **Community Development Financial Institutions (CDFI) Fund** published guidance in the Federal Register on how organizations can apply to be certified as Community Development Entities (CDE's) in the New Markets Tax Credits (NMTC) Program. On December 26 the same year, the IRS published temporary regulation in the Federal Register governing the operation of the NMTC Program. Passed by Congress in December, 2000, the NMTC

Program authorizes tax credits for up to \$15 billion of new private sector investment in economically distressed communities. A newsletter is available, as well as technical assistance on how to apply. For further information, visit www.cdfifund.gov.

The **Florida Public Service Commission (FPSC)** has adopted an interconnection rule to make it easier for utility customers to connect small solar electric systems directly to the electric power grid. The ruling applies to all of the state's investor owned utilities, which presently service 77% of Florida's customers, and establishes standards for the agreements between an investor owned utility and its customers. For further information, please visit www.flaseia.org.

The **Martin County** residents of Indiantown worked hard and long to identify their community values and priorities to guide the future development of Indiantown in the process of becoming a CRA. Their ideas formed the basis of the redevelopment plan. Facilitated by the Houston Cuozzo Group and Dan Burden of Walkable Communities, the workshop set a record for attendance at any redevelopment plan workshop. Martin County currently has seven CRA districts: Jensen Beach, Port Salerno, Hobe Sound, Rio, Indiantown, Golden Gate and Palm City. For more information, visit the website at www.martin.fl.us/GOVT/depts/gmd/cdd.

The **International Downtown Association** and the **Federal Department of Housing and Urban Development** have opened a new dialogue with a brown bag series of lunches in Washington, New York City, Atlanta, Denver, Seattle and Los Angeles. In addition, the IDA has forged a relationship with the General Services Administration. Visit www.gsa.gov/goodneighbor, or www.ida-downtown.org for further information.

Enterprise Florida has announced that the latest employment statistics are out ...and Florida continues to outpace the nation. From December 2001 to December 2002, Florida created more than 64,000 jobs (seasonally adjusted), marking the state's six straight month of positive job growth. And, of the nation's ten most populous states, Florida continues to be the only one in the black. "We are encouraged by these continuously improving numbers," said EFI President and CEO Darrell Kelley. "And we are committed to making sure many of these new jobs are the high-wage, high-value jobs that will help us further diversify

Florida's economy." Also, folks in Central Florida are starting the New Year off right with two major project announcements that will bring more than 1,000 new jobs to the region. In early January, CuraScript, the nation's largest provider of specialty pharmacy services, announced it would expand its national headquarters in Orange County. The \$16 million project will bring more than 450 high-value jobs to Florida. Last week, Lowe's Home Improvement Warehouse announced it would establish a distribution center in Osceola County - its first in Florida. The 1.3-million-square-foot facility, which represents \$73 million in capital investment, will employ 600 Floridians.

The **West Palm Beach DDA** and **City of West Palm Beach** announced that Navarro Lowrey Properties will begin construction at the former D&D Center, vacant for seven years on Clematis Street. The new Banyan City Center will be a \$44 million, 3 story, 128,829 square foot building. The first floor will be 36,411 square feet of retail, with 92,418 square feet of office space upstairs, a 100-room extended stay hotel and a parking garage with 480 spaces. Navarro Lowrey and the D&D owner, Alex Brown Realty of Baltimore, plan to invest over \$16 million with construction to be completed by November, 2003. The remaining funding may come from City initiatives, including \$2.5 million for the one acre next to the site for a City parking garage. The utilization of the garage by the city will improve the parking in the Clematis Street District.

The retail sector in the Greater **North Miami Beach** area employs over 12,000 people at 1,000 stores. Wholesale trade represents the highest percentage of jobs, with health services close behind. The River Place Office Building is nearing completion with 44,000 sq. ft. in four stories over a three-story parking garage. Also, North Miami Beach Village, a 10.8 acre site, is being developed in a "village layout" to include two restaurants, a retail store, two hotels and an office building. The city has also adopted "New Urbanist" development codes for Hanford Boulevard, eight blocks of the City Center area, and is awaiting final approval from the state.

Main Street Winter Haven was designated in 1995, and the program has received awards and kudos over the years locally and nationally. The partnership between the city and the program has been a key component of their progress. Main

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Short Takes *continued from page 7*

Street's list of to do's this year includes: a comprehensive market analysis, including a housing analysis; a coordinated "shop downtown" campaign during construction for downtown businesses; a parking survey; new uses for underutilized space; coordination of the implementation plan for Rails to Trails; a downtown wide marketing campaign; and recruitment of new businesses.

Palm Bay's Bayfront Redevelopment Agency was written up in Florida Today for their unique awards and recognition program. Each month, awards and letter of recognition are given to businesses, shops and homeowners who have made a significant contribution toward the goal of revitalizing and renewing the district. Award certificates and letters of appreciation are sent out, under the "We Noticed" program. District officials say the program has received tremendous positive response. Another successful program in Palm Bay is their Bay Day, a coastal plant removal program for the elimination of invasive Brazilian pepper

trees and plants. The CRA district was formed two years ago, and is comprised of seven commissioners appointed by the Palm Bay City Council. For further information, contact Gary Dotson at 321-724-8746.

The 2003 **Florida Municipal Training Calendar** is now available from the Florida League of Cities, jfreeman@flcities.com, and soon on the flcities.com website. This one-stop informational resource for municipal training opportunities is updated regularly. If you have any training events you would like included, contact Joy Freeman at the above address.

There are approximately **137 CRAs created by city or county governments in Florida**. Do you know someone who isn't an FRA member and who is involved in redevelopment? Why not tell them about the FRA, the only organization that directly represents CRAs and redevelopment interests. We are "dedicated to the revitalization and preservation of Florida's communities" – come join us in shaping Florida's Urban Agenda. Contact the FRA at 850-222-9684, cwestmoreland@flcities.com, or at www.redevelopment.net.

Artful Business: *Using the Arts for Community Economic Development*

Only recently accepted as congruent concepts are the arts as an industry and as an economic development strategy. In the United States, communities are finding that the arts can play a crucial and valuable role in their local community economic development efforts. The resulting effects are both indirect and direct. Indirect effects of arts-based community development approaches are inherently acceptable: amenities and aesthetics of a community are increased to enhance its overall image and, consequently, attract additional growth and development. The more evident direct effects include increased economic activity in terms of jobs, sales, and public revenues.

Art as a strategy for encouraging quality community economic development has only recently gained wide spread attention in the U.S. However, its role in community development is long-lived, with roots in the City Beautiful Movement that began in the late 1890's. The concept of integrating public art, public parks and other spaces, and beautiful architecture for public buildings become highly popular for several decades. Many of these creations from that era provide the fodder for historic preservation work. When the

Websites

www.Siliconbay.org (Pinellas County – click on Redevelopment Summit)

www.neighborhoodamerica.com

www.iedonline.org (free technical assistance re: brownfields)

www.policy.rutgers.edu/cupr (Center for Urban Policy Research)

www.fufc.org (Florida Urban Forestry Council)

www.communitygreens.org

www.plantation.org/text/eco-redevelopment.html

era of the City Beautiful Movement ended, the willingness to incorporate public art was practically lost until the resurgence of interest almost a hundred years later.

This time, the interest in the arts exceeds a physical dimension of structures – it also includes recognition of the social and cultural impacts on community. Often subsumed in the term “cultural resources,” the arts’ contributions to community development include increasing capacity for endogenous development. Co modifying culture as a supplement to traditional development activities has become a focus of many communities, not only in developed economies such as the U.S. or the U.K., but in developing areas of the world as well.

Too much “co modification” of culture/the arts can occur, leaving a community without the benefits of social and cultural links. Without participation and decision-making in the development process, communities may experience conflict between culture, community, and identity. As some promote, local development work needs to be at the *cultural level* to facilitate participation and empowerment, providing better control of future outcomes. This ideal fits well within the context of arts-based community economic development approaches as the arts generally can be considered as community assets. In turn, community assets are defined as the gifts, skills and capacities of individuals, associations, and institutions within a community. In other words, the arts build on the inherent assets of a community, and if the definition of community development as a planned effort to build assets that increase the capacity of residents to improve their quality of life is accepted, then arts-based community development holds much potential.

A Typology of Arts-Based Community Development Programs

The array of arts-based programs in existence or emerging in communities throughout the United States is astounding. While each reflects the artistic expression and creativity inherent within the community, there are several prevalent types of programs that have emerged: arts incubators, cooperatives, tourist venues, and comprehensive approaches. A few of these are described in the following sections.

Arts Business Incubators

Incubation programs are economic development tools, designed to foster a community’s business development efforts. The approach includes shared administrative and other

services, centralized space, and business development assistance provided in a facility where new or young small businesses co-exist. Government and non-profit organizations sponsor approximately one-half of all incubators. Their primary mission is general economic development goals of job creation, economic diversification, and tax base expansion. Arts incubators help artisans develop business acumen skills, or partner them in cooperative situations or other organizational arrangements to provide the necessary skills. Some communities find that underutilized buildings, such as warehouses or schools, can be converted into studio and related uses. Keeping the costs low, and providing support services combine to make it feasible for artist entrepreneurs to start businesses. Arts incubator programs are emerging in a variety of contexts, from large urban areas such as Chicago, Illinois; Dallas, Texas; and Portland, Oregon to smaller communities like Sneedville, Tennessee and Sheffield, Alabama.

Sneedville, Tennessee

The Jubilee Business Incubator is funded and operated by a community coalition of religious organizations, artisans, farming groups, and others. Located downtown in a renovated 5,700 square foot building, the program helps organize people in the area into a network of grassroots community, youth, economic cooperative, and small business groups. Skilled craftsmanship is part of the heritage of this small mountain community, and the Jubilee project emerged as a way to preserve this heritage while addressing community development needs.

The incubator program provides affordable rental rates to small arts-based businesses, access to fax, copier, computer and Internet, on-site business counseling, and assistance in locating markets for arts and crafts products. Jubilee houses the Appalachian Craft Cooperative, which grew from nine to twenty seven members in a one-year time frame from 1997 – 1998. Within the building, one room serves as a retail store for selling the cooperative’s local arts and crafts such as honeysuckle baskets, woodcarvings, and handmade jewelry. A second room is used as a classroom for small business development programs and a third is a computer-training center consisting of eight new computers provided by the Tennessee Valley Authority. The remainder of the building houses small business incubator tenants. Opening in 1997, the incubator housed twenty-eight small businesses within a year. Many began as part-time efforts to supplement incomes with some expanding to full-time operations.

Arts Cooperatives

Cooperatives can be an effective method for encouraging arts-based business development. Typically, a group of local or regional artisans form a non-profit organization to market and promote their works. A portion of the revenues from cooperative sales pay shared marketing expenses. There are literally thousands of cooperatives throughout the United States. Some of these have reached a “critical mass” level in which they have much influence on community economic development in terms of attracting significant numbers of buyers to the area. The Craftsmen’s Guild of Mississippi is summarized as an example of the cooperative approach to arts-based business development.

Jackson, Mississippi

In 1973, a group of artisans interested in preserving and promoting the folk, traditional, and contemporary crafts of Mississippi formed a non-profit organization, The Craftsmen’s Guild of Mississippi. The goal of the group has been to set standards of excellence in arts and crafts. To qualify for membership, an artisan must design his or her own work and submit three pieces to the Guild’s Standards Committee for review. By ensuring high standards, the Guild has developed a reputation as one of the best arts cooperatives in the region and in turn, has impacted community development in positive ways. Their first project was to establish The Mississippi Crafts Center, located on the historic Natchez Trace Parkway north of Jackson in a dogtrot log cabin. A nationally recognized program of crafts demonstrations, classes, and festivals attract numerous visitors and artisans to the area.

The Guild constructed a second project near downtown Jackson, the Chimneyville Crafts Gallery that includes a sales center, main offices, classrooms, and studios. Large festivals are held several times per year, attracting visitors and artisans from throughout the region. The Guild conducts public service projects to promote the arts and community. They also sponsor continuing education programs in addition to sales and marketing of members’ works.

Tourist Venues

Some communities develop their arts-based resources into venues to attract tourists. While the arts incubators, cooperatives, and comprehensive approaches may recognize tourism as a valuable economic development activity, this approach explicitly develops programs to support tourism. The number and types of tourist venues based on

art are tremendously diverse. Some communities use themselves as the palette for the venue, painting murals on the walls of their buildings, or incorporating public art on a major scale into the community - Stuebenville, Ohio; Toppenish, Washington; and Loveland, Colorado, are such examples. Care must be taken with this approach so that over commercialization or “themeing” does not threaten community ambience. The following vignette illustrates development of an arts-based tourist venue.

Tifton, Georgia

Located in South Georgia in the heart of prime agricultural lands, Tifton has applied an approach of providing several venues to attract tourists to spend a day or longer in Tifton exploring the arts. Two venues have been developed, the Tifton Museum of Arts and Heritage and the Georgia Agriama. Additionally, a special program has been implemented in conjunction with Abraham Baldwin Agricultural College, the Arts Experiment Station. This latter effort focuses on placing public art exhibits throughout the downtown area and in regional schools. The realization that arts could serve as a community development catalyst in Tifton came with the development of The Georgia Agriama in 1976. Built with funds from the state of Georgia, the Agriama is a living history museum and incorporates traditional arts and craft exhibits. With an annual budget of \$1.5 million and a draw of over 60,000 visitors per year, it serves as a major economic impact on the area. To further attract tourists to Tifton, the Tifton Museum of Arts and Heritage was developed in a historic downtown building, refurbished with a \$100,000 grant from the National Endowment for the Arts. This project has been an instrumental component of an arts-based development strategy, and has prompted the redevelopment of nearby properties for arts-related activities. The historic railroad depot has been converted to an art gallery, and a renovated theater serves as a performing arts center. Combined, the venues have helped Tifton realize its arts-based community development goals.

Considerations for Implementing Arts-Based Community Development Programs

Communities face a variety of challenges when devising and implementing arts-based programs and activities. Many communities are home to artisans, yet it is simply not enough to be artistically creative and expect that to translate into thriving businesses. The arts environment is extremely competitive and arts organizations and

artists have to be inventive in finding sources of funding and revenue. There are negative outcomes as well. As with any investment, there are opportunity costs – perhaps a community could have achieved a more desirable type of economic development outcome had they pursued different strategies. Another is that arts-based approaches generally rely on consumer services as the economic base, and typically, these industries pay less than producer services or manufacturing activities. Most are associated with increasing tourism – some citizens may not wish to have an influx of tourists and related problems that can arise such as traffic congestion and demands on infrastructure. The following considerations are presented to those communities interested in arts-based approaches:

- General support for the Arts. Citizens and local government officials need to recognize that a healthy arts presence is a vital part of community infrastructure and is important in terms of community development. Participation approaches in community decision-making should be used to further build support.

- Seek out untapped resources. Local governments may have more resources than direct funding that can be used to support arts-based businesses and other activities. Examples include rent-free facilities from a variety of sources such as school classrooms and auditoriums, commercial warehouses, conference centers or vacant retail spaces.

- Integrate the support of arts with community development benefits. Whenever

possible, the community should strive to link benefits with arts-based activities. For example, artisans could participate in programs such as bringing art to public schools, or placement of art in public venues.

- Maximize resources through community sharing. The centralization of facilities and resources is a significant factor in the success of arts-based programs. A centralized facility, such as a studio, gallery, office, or retail space may be used to provide cost savings. This is one of the underlying premises of arts business incubator programs – by sharing, costs are reduced for everyone involved.

- Adopt a flexible approach to arts support. All artists are different and need different kinds of support and assistance. Business management assistance to arts entrepreneurs is usually a critical need in communities, yet the type of assistance may vary. Successful arts-based programs will respond to artists on an individual basis.

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This article has been excerpted from “Artful Business: Using the Arts for Community Economic Development,” an article forthcoming Fall 2003 in the *Community Development Journal*.

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Legal Corner

by David Cardwell, The Cardwell Law Firm

In a 1999 opinion, the Fifth District Court of Appeal ruled that capital improvements made by a lessee under a lease constituted rent for purposes of the Florida tax on commercial leases. *Department of Revenue v. Seminole Clubs, Inc.*, 1999 W.L. 1043957 (Fla. 5th DCA). Seminole Clubs entered into a long-term lease with the City of Sanford for the lease and operation of a public golf club. Paragraph 2 of the lease, titled "Rentals," stated the following:

Lessee covenants and agrees during the remaining term hereof, to expend annually on capital improvements, in lieu of rent, first to the golf course itself until such time as the layout and condition of said course are satisfactory to Lessor, and then to building improvement and additional structures, the following sums: Five percent (5%) of all gross revenue... In the event any of the aforesaid sums, on an annual basis, are not spent in lieu of rent on such improvements, the same shall be paid as rent to the City ... It is further agreed that the above-described sums may be carried over from year to year, for example: if Lessee expends during one year the sum of \$25,000 in permanent improvements and if under the above-described gross revenue formula \$5,000 would be required during such year, the remaining \$20,000 would be carried forward to subsequent years and credited toward future required expenditures under the above-described formula.

The Department of Revenue assessed sales tax on the capital improvements made by Seminole during a five-year period. The lower court concluded that the capital improvements were not rent within the meaning of the tax statutes. The District Court of Appeal reversed because "[t]he capital improvements were made for the privilege of occupancy and, therefore, represented 'rent in kind' taxable under Section 212.031, Florida Statutes (1991), and F.A.C. Rule 12A-1.070."

Based on this case, CRAs should be careful in drafting commercial leases that involve obligations on the part of the lessee to make improvements to real estate.

CRA Q and A

Question: May CRA required notices be mailed certified instead of registered?

Answer: Yes, Section 1.01, Florida Statutes contains definitions that apply throughout all of the Florida Statutes. Subsection (11) is where "registered mail" also includes "certified mail with return receipt."

Question: Our CRA (and trust fund) was established in 1997, prior to the 2002 changes to Chapter 163, Part III, governing CRAs. Does the limitation to spend trust fund monies, in 163.387(7)(d) apply to our trust fund?

Answer: This limitation applies to all CRAs, including those established prior to the 2002 changes.

Question: Does a debt (loan) for the purpose of establishing a tax increment district have to include interest? The City loaned the district money to get started, and is charging interest on the loan. The district is not yet generating enough tax increment revenue to pay the principle and interest, so the loan is being used to pay the interest instead of programs in the district. We have asked the City to waive the interest. Does the debt have to include interest before a waiver is authorized?

Answer: Debt is debt, regardless of interest, and charging interest is at the discretion of the lender, therefore it may be waived. Intergovernmental loans are often interest free, including CRA loans.

Question: Are members of advisory boards or committees to the CRA Board required to file forms for financial disclosure?

Answer: Maybe. Based on a 1991 opinion of the Commission on Ethics, they were required to file limited financial disclosure because they were deemed to have "land use" responsibilities, and mentioned in a distinct category in the definition of "local officer" in the statute. However, that phrase was repealed effective January 1, 2001. An advisory board member under current law is required to file financial disclosure forms only if the appointing authority, i.e. the CRA Board, city or county commission, requires such disclosure.

Legal Corner CRA Q and A *continued*

Question: Are CRA collections or assessments subject to the “Certificate of Qualified Public Depository” requirement under the Florida Security for Public Deposits Act? (Chapter 280, F. S.)

Answer: Since the CRA funds are “public funds” authorized by state law and a CRA is a body politic and corporate, as well as a special district under Florida law, the CRA accounts are subject to the laws governing public deposits.

Did You Know?

There are 19 counties whose citizens have voted countywide to establish a particular charter* (authorized by the Constitution in Florida), or “17 plus one and one” **. Alachua, Brevard, Broward, Charlotte, Clay, Columbia, Duval**, Hillsborough, Lee, Leon, Metropolitan Miami-Dade**, Orange, Osceola, Palm Beach, Pinellas, Polk, Sarasota, Seminole, and Volusia are all “charter counties”. For further information, call Ken Small at the Florida League of Cities, 800-342-8112.

*A county proposes a charter to the voters gain home rule status, and to deviate from the usual constitutional status of counties in Florida. They may focus on certain issues in the voter campaign, such as restructuring of constitutional offices, incorporating recall provisions, or capturing utility taxes.

**Duval County is a specifically, constitutionally authorized consolidated government, i.e., the City of Jacksonville, and Duval County. Metropolitan Miami-Dade County has a unique two-tiered type of county government, also established in the Florida Constitution, different from any other county in the state of Florida or in the nation.

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