

# MARTIN COUNTY CRA AND CITY OF STUART CRA TIF

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UNDER-PAYMENT ISSUE





# HISTORY OF THE ISSUE

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- In April 2013 the County and the City were advised of an error made by the Property Appraiser
  - Impacted Community Redevelopment Areas (CRAs) only
  - Computer coding error
    - Properties that should have been included in the CRAs for Tax Increment Financing (TIF) calculations were impacted
    - Created an under-payment situation for all CRAs (including the City of Stuart)
  - Error was corrected for the 2013 tax roll



# HISTORY OF THE ISSUE

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- Began in 2001
  - Jensen Beach and Port Salerno CRAs only were impacted
- 2002
  - Jensen Beach, Port Salerno, Hobe Sound, and Rio CRAs were impacted
- 2004
  - Jensen Beach, Rio, Hobe Sound, Port Salerno, Golden Gate, Indiantown, and Palm City CRAs impacted
- City of Stuart CRA was impacted beginning in 1999





# HISTORY OF THE ISSUE

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- Legal opinion on requirement to pay monies back to the CRAs
  - Statute of limitations
    - Four Years
- Error was made for a gas-line company
  - Paid monies to City of Stuart (not the City CRA)
    - Should have gone to the County
    - No obligation to pay that back to the County
      - Private company and claim that they paid the taxes



# DISPUTE RESOLUTION

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- City invoked dispute resolution procedures as allowed in Florida State Statute when two separate government entities have a dispute
- Required mediation
  - Spokes-person for each entity
- Calculated various scenarios for settlement



# DISPUTE RESOLUTION

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- Total owed from County to City CRA was \$1.4M
- Less other payments the County had made for the current year (2014) and year of error (2013) to City CRA
- Less amount the City received from the gas-line company that should have gone to the County (\$623)
- Balance negotiated \$521K



# COUNTY CRAS

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- The County CRAs, as part of the County, could not invoke dispute resolution with the County
- BOCC was the CRA Board
- BOCC decided at that time, the economy was such that the County should not pay the lost funds to the County's CRA TIF funds
  - Position was that the TIF collections were based upon the information provided by Property Appraiser
    - Not intentional
  - No legal requirement
  - Economic circumstances
  - Budget constraints
  - CRAs receive other benefits from being a part of the County





# COUNTY CRAs

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- Other considerations
  - At the time the projects for the CRAs were not in need of additional funding
    - Main projects for all CRAs were for utilities (water & sewer) and multi-modal pathways
    - Unfunded were Indiantown Fairgrounds (\$2.1M) and Bridge Road (\$1.5M)



# QUESTIONS

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