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<<
[Back](#)

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CRA wants tax deal extended

Agency gets large part of money back for city projects

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With Lee County out close to \$500,000 in tax revenue from Cape Coral, officials might have something to say about a plan to keep tax money from the county for 30 more years.

As part of its financing ordinance, a large part of tax money from the Cape Coral Redevelopment Agency's property taxes is returned to the agency. The agency doesn't want that to stop.

As part of its amended redevelopment plan, the agency's program calls for it to run another 30 years instead of lapsing in 2017 as the plan calls for now.

It could keep tax money from the city and the county coffers until 2035.

"That is an awful long time for a CRA," Assistant County Manager Pete Winton said. "Our county attorney is looking into whether it would need county approval or not."

The agency needs the time to arrange bonding and financing, designing and construction for the utilities, Suzanne Kuehn, executive director for the redevelopment agency said.

The plan is scheduled to go before the city Planning & Zoning Commission for consideration Oct. 4.

"No one gets a mortgage for 12 years. We need the time just like a homeowner needs 30 years for a mortgage," Kuehn said. "It could take 10 years just to get the utilities in."

If the plan is adopted by city

council, the agency would have the timeline it needs to build a downtown where residents could live, work, and play, Kuehn said. Projects with restaurants, shopping, condominiums, offices, a theater and a hotel have submitted preliminary plans to build in the area.

Money returned

Lee County money returned to the Cape Coral Community Redevelopment Agency in the past six fiscal years:

Year Money

- 2004-2005 \$497,195
- 2003-2004 \$287,278
- 2002-2003 \$222,638
- 2001-2002 \$194,844
- 2000-2001 \$127,905
- 1999-2000 \$114,463

The funds come from the countywide general-fund tax, Capital Improvement Plan tax and library tax. Source: Lee County Administration.

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The way funding for Cape Coral's Community Redevelopment Area works, the property tax money raised in the area after the agency's formation in its base year 1987 returns to the area through the agency.

The city and the county can retain only the tax money they would have collected as real estate taxes in the base year. The rest, considered the top increment, returns to the redevelopment area to be used for development projects.

As the value of the property in the area increases, the amount of money shifted to the redevelopment agency increases.

Governments call this arrangement Tax Incremental Funding.

"It would ultimately benefit the county in the long run," said Suzanne Kuehn, executive director of the redevelopment agency. "The CRA is such a small area of the county and the city — only 0.6 square miles."

County commissioners were in Collier County on Wednesday discussing regional issues with that county's officials and could not return calls.

If anything, the issue concerns the governmental bodies not the taxpayers in the redevelopment area. They have to pay their taxes no matter who reaps the money.

Business owners in the Community Redevelopment Area, such as Bruce Van Slyke of Webb's Gentlemen's Apparel, have said that they think tax money used in their area to upgrade roads, to upgrade storm-water protection and beautify the area is well-spent.

"It used to rain and rush down the street and then come back up onto the street from the pipes," Van Slyke said. "We don't have that trouble now. The CRA really did a good job on the storm water."

The money returned to the redevelopment agency is used to fund projects such as water lines and sewers for building projects. It partially funds a traffic study in conjunction with the city and the Lee County Department of Transportation.

Results from the traffic study should help in planning ways to avoid congestion and make parking convenient. The area hopes to blossom as a multistory downtown for working, shopping, living and playing similar to Mizner Park in Boca Raton.

Boarded warehouses turned into restaurants, an amphitheater, movies, town houses and trendy shops with free parking make that redevelopment area into what many call a drop-dead gorgeous attraction.

Cape Coral residents can look forward to transforming their downtown into its own version, Kuehn said.

<<
[Back](#)