CITY OF CAPE CORAL · COMMUNITY REDEVELOPMENT AGENCY

Bimini East

Understanding Tax-Increment Financing (TIF) and the Crown Development Proposal

A community briefing on tax-increment financing — what it is, how it is generated, how it can be spent, and how it is proposed to help deliver the Bimini East redevelopment.

Prepared for

Community Redevelopment Agency

TODAY'S AGENDA

What we will cover

01

What TIF is

A plain-language explanation of tax-increment financing under Florida law.

02

How the increment is generated

Where the dollars come from — and where they do not.

03

How TIF can be spent

What Florida statute allows, and what it prohibits.

04

What a TIF agreement does

The contract that turns policy into performance.

05

The Crown Development proposal

The program, the site, and the numbers being proposed for Bimini East.

06

Why TIF is proposed

The "but-for" case and the public benefits secured in return.

07

CRA Trust Fund Forecast

Forecast the impacts of development, rebates, and debt

PART ONE

TIF, in plain language

A dedicated share of new property taxes, spent inside the redevelopment area

Tax Increment Financing

TIF is a tool authorized by Florida Statute Chapter 163, Part III. When the City creates a Community Redevelopment Agency (CRA) in a “blighted” area, the taxable value of property in that area is frozen at a base year.

Everyone still pays their normal property taxes. But the portion of taxes generated by the increase in value above the base year — the “increment” — is deposited into a trust fund and can only be spent inside the CRA on redevelopment activities.

Base year

Property value on the tax roll the year the CRA is created (or a project’s base year).

Increment

The growth in taxable value above that base year — driven by new construction and reassessment.

Trust fund

A share of the taxes generated by that increment (Cape Coral’s CRA retains 95%) — held for CRA-only use.

A TIF captures the future tax benefit of real-estate improvements to help pay present redevelopment costs—public infrastructure, land acquisition, demolition, relocation, utilities, planning, and debt service.

Source: Florida Statute §163.387 · Florida Bar Journal — TIF in Florida

HOW THE INCREMENT IS GENERATED

New taxable value × the millage rate = the tax increment

+ =

BASE YEAR VALUE

Frozen

Continues to fund the City General Fund, Lee County, School Board, and other taxing authorities as usual.

NEW TAXABLE VALUE

From the project

Vertical construction, reassessment, and land improvements raise the tax roll above the base year.

INCREMENT

95% share

Cape Coral's trust-fund ordinance (Ord. 84-23) directs 95% of the City and County increment on that new value into the CRA trust fund.

An important point

TIF does not raise your millage rate and it does not take dollars out of the City's existing General Fund. If the project is not built, there is no increment and there is no rebate — the CRA never sends a check that has not first been generated by new taxable value on the site.

Source: Cape Coral Ord. 84-23 (95% deposit) · Florida Statute §163.387

Statute limits TIF to redevelopment activities inside the CRA

Allowed under §163.370 & §163.387

01 Land assembly and site preparation inside the CRA.

02 Public infrastructure — roads, sidewalks, lighting, stormwater, utilities.

03 Public realm — plazas, promenades, parks, marinas, cultural anchors.

04 Redevelopment planning, code enforcement, and administration.

05 Project-generated rebates for CRA-approved improvements.

06 Affordable and workforce housing consistent with the adopted plan.

07 Debt service on obligations lawfully issued for the above.

Not allowed

01 General City operating expenses outside the CRA.

02 Routine City services already funded by the General Fund (city-wide police, fire, or parks maintenance).

03 Projects outside the redevelopment area unless a direct, documented CRA benefit is shown.

04 Debt service on obligations unrelated to redevelopment.

05 Any use inconsistent with the adopted CRA Redevelopment Plan.

Source: Florida Statute §163.370 · Florida Statute §163.387 · Florida Redevelopment Assoc. Model Policy

The contract that turns policy into performance

A TIF agreement — technically an Area Reinvestment Agreement under §163.387(1)(b) — is the written contract between the CRA and a developer. It commits the CRA to rebate a defined share of project-generated increment, only if the developer meets specific performance conditions.

Term	What it does
Rebate share	The percentage of new increment refunded to the developer — typically 50–95%.
Term	Years the rebate runs — often 12–20 years, always capped by CRA sunset.
Dollar cap	A hard ceiling on total rebate — protects the public if the project outperforms.
Pay-as-you-go	CRA only pays after taxes are actually paid — no CRA debt, no General Fund pledge.
Completion trigger	No rebate until a Certificate of Occupancy is issued.
Late-completion clawback	Rebate is reduced or forfeited if construction slips past deadlines.
Tax-payment condition	Property taxes must be paid before delinquency each year — miss it, forfeit that year.
Public-benefit covenants	Recorded obligations — public access, promenade easements, affordability, or design commitments.

Source: Florida Statute §163.387(1)(b) · Boynton Beach — Ocean One · Fort Myers — Montage

PART TWO

The Crown proposal

What is being proposed for Bimini East — and how the TIF piece fits in.

HOW WE GOT HERE

Twelve years of Bimini Basin planning, in one page

2014

USF engagement

City contracts USF School of Architecture for a Bimini Basin visioning study.

2015

Three master concepts

Bridging the Gap, Canal Works, and Threading the Needle presented to Council.

2015-16

RMA implementation study

Redevelopment Management Associates six-pillar plan: public improvements, quality of life, regulatory, financial inducements, marketability, feasibility.

2016-18

DCD overlay

USF vision codified into the Bimini Basin Zoning District (BMX) — walkability, water access, mixed use.

2023

Trust-fund refresh

CRA trust-fund ordinance (Ord. 84-23) confirms 95% increment deposit.

2024

Land assembly

CRA/City resolutions assemble ~22 acres for ~$45.2M.

2024

RFP and selection

Bimini East RFP issued; Crown Development / Bimini Basin Redevelopment Company selected.

2025-26

Term sheet and draft agreement

IMPLAN study, TIF increment schedule, and draft Development Agreement prepared.

Now

CRA Board review

Committee of the Whole and CRA Board evaluate against the adopted Redevelopment Plan.

Point: the Bimini Basin vision, the zoning, the implementation blueprint, and the CRA funding vehicle are already in place. The Crown proposal is being measured against a codified plan — not a fresh sketch.

Source: Cape Coral CRA · USF SACD Spring 2015 concepts · RMA Bimini Basin implementation study

A $500M vertical program on ~34-acre CRA footprint

$500M	~900	250 keys	~22 ac
total vertical program	residential units	hotel and hospitality	CRA-assembled footprint

Private vertical program

01 ~900 residential units delivering the "live" component at real density

02 250-key flagged hotel — night activation the plan called for

03 ~210,000 sf medical office + ~55,000 sf general office

04 ~130,000 sf ground-floor retail and F&B along the promenade

05 Marina with public and transient boat slips

Public benefits woven in

01 Continuous public promenade along the basin edge (the "Green Thread")

02 Four Freedoms Park expansion parcels conveyed for park use

03 18 public boat slips at zero City cost; up to 50 slip credits secured

04 Bandshell and performance frontage overlooking the basin

05 Police substation designed, built, and leased back to the City

06 Streetlight and streetscape upgrades along Cape Coral and Coronado Pkwys

Source: Crown RFP response Exhibit 7.2 · Draft Bimini East Term Sheet

Three separated funding tracks — TIF is only one of them

TRACK 1

CRA TIF rebate

Up to 95% of project-generated increment rebated to the developer on a pay-as-you-go basis, capped at $45.75M, expiring 9/30/2042. Self-funded from the new taxable value the project creates. No CRA debt, no General Fund pledge.

TRACK 2

CDD infrastructure bonds

A contemplated Chapter 190 Community Development District would bond internal roads, utilities, stormwater, lighting, and the promenade shell. Repaid by non-ad-valorem assessments on parcels inside the district — paid by future owners, not by City-wide taxpayers.

TRACK 3

Direct City-developer items

A separate track of bilateral items — impact-fee credits (up to $5M cumulative), 50% cost share on the public promenade (capped at $1M), Victoria Dr stormwater work, Coronado/Miramar improvements, and a police-substation lease offset by police impact-fee credits.

The takeaway

Each track has its own repayment source. The TIF rebate is only paid from taxes the project itself creates — and only after those taxes are actually collected.

Source: Draft Term Sheet §§3, 13, 15, 21, 22, 27–28 · Florida Statute Ch. 190 (CDDs)

The “but-for” case — why this scale of project needs TIF

The gap TIF closes

Bimini East is a downtown redevelopment site, not a greenfield subdivision. It carries the extra costs of urban form — structured parking, a public promenade, marina bulkheads, and a police substation that a suburban project would never build.

Without a rebate tied to the project’s own new taxes, the private capital markets do not fund those public-realm elements. That is the “but-for” test: but for the TIF rebate, the vertical program does not get built at this scale — and the public benefits attached to it do not get delivered.

It is self-funded

Rebate is paid only from new taxes the project creates. No new millage. No General Fund draw.

It is capped

Total rebate cannot exceed $45.75M — and expires 9/30/2042 regardless of taxable value.

It is performance-based

Underperformance = smaller rebate. Late completion = clawback. Unpaid taxes = forfeited installment.

Source: Bimini East TIF Increment Schedule · FL Bar Journal — TIF “but-for” test

WHAT THE MODEL SHOWS

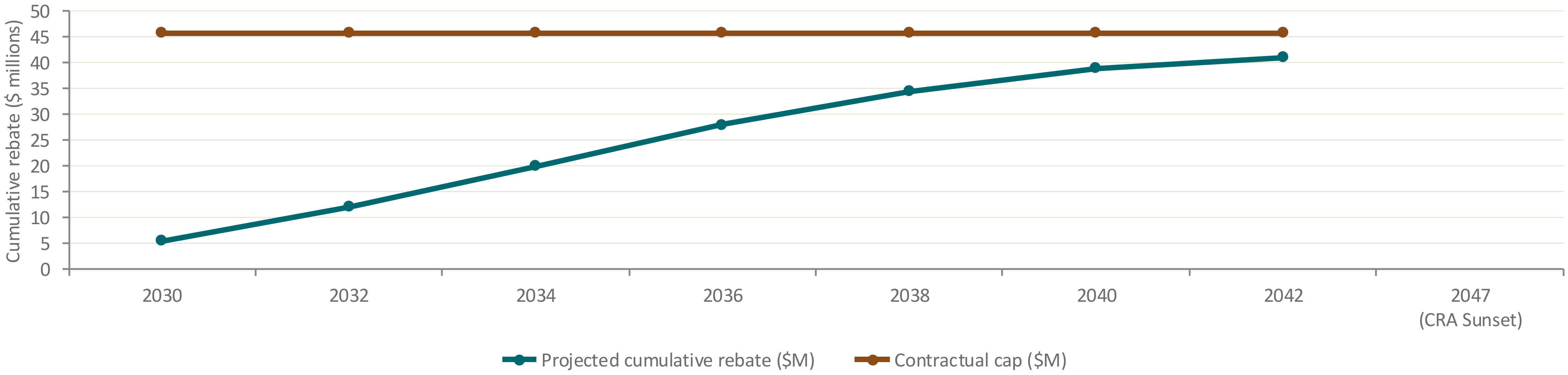
Central-case: ~$41.1M rebate — below the $45.75M cap

$45.75M
contractual rebate cap

~$41.1M
projected cumulative rebate

~$4.6M
buffer below the cap

2042
automatic expiration



Source: Bimini East TIF Increment Schedule (central case)

How the agreement protects Cape Coral taxpayers

Hard dollar cap

Total rebate cannot exceed $45.75M — outperformance stays with the CRA and the taxing authorities.

Automatic sunset

Rebate expires 9/30/2042 regardless of what remains unpaid.

Pay-as-you-go

Rebates are paid annually from realized increment, or not at all.

Annual appropriation discipline

Each year's payment is subject to annual CRA appropriation and confirmed tax receipt.

Completion trigger

No rebate until a Certificate of Occupancy is issued for the applicable phase.

Late-completion clawback

Staged reductions if construction slips past deadlines; termination at the outer boundary.

Tax-payment condition

Property taxes must be paid before delinquency each year — miss it, forfeit that year's installment.

Recorded public covenants

Public promenade access, Four Freedoms Park expansion, and marina slips locked in by recorded easement.

No layered subsidy

No forgivable loan, no free land beyond parcels already assembled — no stacking on top of TIF.

Source: Draft Bimini East Term Sheet §§21, 22 · Florida CRA TIF Comparables (Hallandale, Prestige, Panama City)

What TIF buys the community — beyond the buildings

A downtown identity

A cohesive $500M vertical program on a single 34-acre footprint — the legible downtown the USF study called for.

Public access to the water

A continuous promenade, marina, and 18 dedicated public boat slips anchored to public use.

The Green Thread

A linear public realm threading the site together at pedestrian scale — the USF vision, delivered.

Live · work · play mix

~900 homes, hotel, medical office, retail, and civic space — day-and-night activation on one block.

Arts and civic anchors

Bandshell, farmers-market space, and a Four Freedoms Park expansion — reasons to travel to the downtown area.

Public safety on-site

A police substation designed and built by the developer and leased back to the City.

Walkable connections

Sidewalks, lighting, signals, and a Coronado/Miramar cost share that fix the ¼-mile problem.

New tax base

Once the rebate sunsets, 100% of the increment flows to the CRA.

Source: USF SACD Spring 2015 concepts · Crown RFP response public-realm exhibits

Straight answers to the questions we hear most often

Does TIF raise my taxes?

No. TIF does not change the millage rate. Every property owner pays the same rate they would pay without the CRA.

Is this a check from the General Fund?

No. The rebate is paid only from new taxes generated by the project itself, and only after those taxes are collected.

What if the developer walks away?

The CRA owes nothing. Rebate is triggered by Certificate of Occupancy and paid taxes. Land-payment security is a separate diligence item.

What about Lee County and the School Board?

The School Board is exempt from TIF by statute. About half of the increment funding the rebate comes from Lee County millage on new value.

Could TIF pay for something else?

Only inside the CRA and only for statute-eligible redevelopment. It cannot fund routine City services or projects outside the CRA boundary.

What happens after 2042?

The rebate expires. From then on, 100% of the increment flows to the CRA — permanently until 2047.

Source: Florida Statute §163.387 · Draft Bimini East Term Sheet

Why the agreement should be approved

01 The vision is already codified

The Bimini Basin Zoning District and the 2015 USF concepts already define what the site is supposed to become. Crown's program meets or exceeds every USF goal.

02 The public gets specific benefits

A promenade, marina, park expansion, police substation, and streetscape improvements — locked in by recorded covenants, not left to a future site plan.

03 The rebate is self-funded and capped

Pay-as-you-go from new project-generated increment, hard-capped at $45.75M, and it automatically expires in 2042.

04 The alternative is doing nothing

The site has sat vacant and disconnected for a generation. The CRA already holds ~$45.2M in assembled land. The public value of that basis is realized only if something gets built.

THE RECOMMENDATION

Approve the Bimini East TIF agreement

Subject to resolution of

01 Developer credit support behind the land-price balloon.

02 Priced scope of Victoria Drive stormwater and Coronado/Miramar improvements.

03 Recorded public-access covenants on the promenade and Four Freedoms parcels.

Source: Cape Coral CRA Redevelopment Plan · Draft Bimini East Development Agreement

PART THREE

FORECASTING THE TIF, DEBT AND REBATES

Forecasting the CRA Trust Fund through dissolution.

CRA Trust Fund Forecast

1. Developed on a Cash Basis.
2. Increment increases assumed at 2% per year
3. Millage rates assumed to decrease on average 2% per year
4. Operating expenditures assumed to increase 3% per year
5. Bimini East Rebates assume development built to the proposed value of the project
6. Transfer for DS for Bimini East Transfers is based on $30 million over remaining life of the CRA.
7. Interest Only on Bimini East Sales Price assumes use of short-term debt (Commercial Paper) over the ten-year term for payment of the debt accounting for periodic payments coinciding with the proposed development schedule..

Community Redevelopment Agency
TIF Analysis, Net Operations, Debt Service, and TIF Payments Analysis
Analysis prepared on a Cash Basis
For the Fiscal Years 2027 through 2047

	FY 2027 - FY 2023 (5 years)	FY 2032 - FY 2036 (5 years)	FY 2037 - FY 2041 (5 years)	FY 2042 - FY 2047 (6 years)	All Years
Beginning Cash Balance					
Cash - Beginning	13,854,248	1,816,883	15,233,522	35,040,087	13,854,248
Revenues:					
County TIF	19,527,154	28,808,723	35,529,901	50,073,105	133,938,882
City TIF (Xfer from GF)	26,982,901	39,808,306	49,095,725	69,191,733	185,078,666
Parking Service Charges	210,000	-	-	-	210,000
Loan Prinicpal (Cash Flow Only)	68,331	79,415	92,250	129,085	369,081
Net Investment Income	203,530	1,858,198	2,154,160	3,042,551	7,258,438
Total Revenues	46,991,916	70,554,642	86,872,036	122,436,473	326,855,067
Expenditures:					
Personnel Services	2,059,323	2,654,049	3,076,770	4,345,651	12,135,794
Operating - Fund 150	18,445,328	20,832,903	24,151,044	34,111,100	97,540,375
Capital - Fund 315	8,027,367	5,000,000	5,000,000	6,000,000	24,027,367
Transfers to City General Fund	5,611,470	-	-	-	5,611,470
Previously committed Cap Projects (315)	6,334,469	-	-	-	6,334,469
Transfer to Fund 315	8,027,367	5,000,000	5,000,000	6,000,000	24,027,367
Transfers from Fund 150	(8,027,367)	(5,000,000)	(5,000,000)	(6,000,000)	(24,027,367)
Total Expenditures	40,477,957	28,486,952	32,227,814	44,456,752	145,649,475
Net Revenue(Expenditure) before TIF Rebates and Debt Service Transfers	6,513,959	42,067,690	54,644,222	77,979,722	181,205,593
TIF Rebates:					
Slip Away	46,616	44,952	-	-	91,568
Bimini Square	1,550,769	1,727,510	1,922,646	1,692,193	6,893,118
Bimini East	977,387	14,423,840	21,543,511	8,805,262	45,750,000
Total TIF Rebates	2,574,773	16,196,302	23,466,157	10,497,455	52,734,687
Net Revenue(Expenditures) available for Debt Service	3,939,186	25,871,388	31,178,065	67,482,266	128,470,906
Debt Service Transfers (Principal & Interest)					
Transfers to Fund 201 DS Fund	700,051	-	-	-	700,051
Transfer for DS for Bimini East Land Purchases	11,375,000	11,371,000	11,371,500	11,370,000	45,487,500
Interest only on Bimini East Sales Price	3,901,500	1,083,750	-	-	4,985,250
Total Debt Payments	15,976,551	12,454,750	11,371,500	11,370,000	51,172,801
Net Revenue(Expenditures)	(12,037,365)	13,416,638	19,806,565	56,112,266	77,298,105
Net cash at end of period	1,816,883	15,233,522	35,040,087	91,152,353	91,152,353

THANK YOU

Questions from the Board

City of Cape Coral · Community Redevelopment Agency

capecoral.gov/CRA