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Cape agency at mercy of state

May not have cash to entice downtown developers

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Not only do developers want more incentive money to build in downtown Cape Coral, the city's redevelopment board faces uncertainty from Tallahassee.

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As a result, The Cape Coral Redevelopment Agency, entrusted with providing incentive money to developers for condominiums, retail shops, restaurants and offices in the blighted downtown, might find itself a bit lean.

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There are two plans in the Legislature to lower property taxes. Because the redevelopment agency requires increased property values and taxes to thrive financially, it could mean a cut for the agency if either plan is eventually passed.

"The estimate for the TIF for 2008 is \$2.4 million," said Suzanne Kuehn, agency executive director. "But the tax plans could change that."

The two tax plans promise to lower taxes on property. If the tax value in the 432-acre redevelopment area goes down, so does the money collected by tax increment funding, the agency's lifeblood.

Money from the redevelopment area under tax increment funding must be used to foster development in the area. That development in turn adds more taxable value to the area.

Value added beyond what the taxes were in 1986 when the redevelopment agency was formed is returned to the agency as taxes for its use.

So if a house was valued at \$100,000 in 1986 and is now valued at \$300,000, the taxes on the added \$200,000 would go to the redevelopment agency.

"We can't make any decisions," said board chairman John Jacobson. "We don't know what the Legislature will do."

The board listened to a presentation from the Cape Downtown Developer's Alliance. The discussion centered on developers' desire to have more incentive

money to build in the area stretching along Cape Coral Parkway east from Tudor Drive to the Cape Coral bridge and north along Del Prado Boulevard to Southeast 43rd Street.

"We are asking you to offer more to get the CRA jump-started," said 25-year Cape resident and developer Kenneth D. Rager. "With greater incentives we can get started."

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