

New study finds public redevelopment investment creates 20x the amount of private redevelopment investment

New analysis finds it took only \$19 million public dollars to generate approximately \$371 million in private investment

A new study examining the effect of government Community Redevelopment Agency (CRA) investment in several Florida municipalities has found that for every single dollar spent by a CRA on redevelopment, that same area benefited from twenty additional dollars being invested in redevelopment by the private sector over the same period of time. The study also showed the investment created over 2,000 new temporary and permanent jobs.

In addition, over the same period of time, the study found CRA's funded \$136.2 million in infrastructure improvements that did not have to be paid for with city general budget dollars.

The analysis was done by the Florida redevelopment firm Redevelopment Management Associates, (RMA) and conducted on behalf of the Florida Redevelopment Association.

The study looked at spending by CRAs from 2008 to 2013 in seven Florida municipalities. They include the cities of Fort Lauderdale, Pompano Beach, Hollywood, Margate, Hallandale, and Deerfield Beach as well as the town of Davie.

Over the five years analyzed by RMA (with information provided by each CRA), a total of \$19,475,516 in TIF funds (dollars generated inside a CRA's boundaries for the purpose of redevelopment, and separate from a municipalities general revenues) was spent by the various CRAs through redevelopment programs. These funds led to \$371,836,097 in private sector investment and the creation of 2,147 jobs. The numbers represent a 20:1 ratio of private versus public dollars invested in the community.

These numbers don't take into account any private sector investment that may have taken place in surrounding areas outside the CRAs' boundaries.

The study also found that from 2008 to 2013, the seven municipalities benefited from \$136.2 million in infrastructure improvements paid for with CRA TIF dollars, and not with general city/town funds.

"We've been doing redevelopment for over 30 years, and even we were surprised by the final numbers," said RMA principal Kim Briesemeister. "The fact that CRA spending sparked twenty times the amount of private investment speaks volumes about the value of CRA investment. But this is exactly why CRAs exist.

Their mission is to boost economic redevelopment in areas that desperately need it without passing the cost on to cities. At the same time, it's the cities that benefit both from the CRA dollars invested but also, as this study shows, from the overwhelming private sector spending that follows."

"This mirrors my experience in such successful CRAs as Delray Beach, Florida where we were able to leverage a relatively small amount of public money as compared to the amount of private investment it created," said RMA Principal Chris Brown. Brown launched the redevelopment of Atlantic Avenue in Delray Beach, considered one of the most successful redevelopment examples in the state of Florida.

"It's the private sector investment that is essential to maintain and fuel the redevelopment CRAs are able to do this without costing taxpayers, yet it's the taxpayers who benefit by surrounding escalating property values."